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STATE OF MINNESOTA

1989

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STATE OF MINNESOTA

SEVENTY-SIXTH SESSION—1989

FORTY-SEVENTH DAY

SAINT PAUL, MINNESOTA, MONDAY, MAY 8, 1989

The House of Representatives convened at 11:00 a.m. and was called to order by Robert E. Vanasek, Speaker of the House.

Prayer was offered by the Reverend Sunthi Paul Chookiatsirichai, the Pastor for Southeast Asian Ministry of West Metropolitan Synod, E.L.C.A., Minneapolis, Minnesota.

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	Frerichs	Krueger	Osthoff	Simoneau
Anderson, G.	Girard	Lasley	Ostrom	Skoglund
Anderson, R.	Greenfield	Lieder	Otis	Solberg
Battaglia	Gruenes	Limmer	Ozment	Sparby
Bauerly	Gutknecht	Long	Pappas	Stanisus
Beard	Hartle	Lynch	Pauly	Steensma
Begich	Hasskamp	Macklin	Pellow	Sviggum
Bennett	Haukoos	Marsh	Pelowski	Swenson
Bertram	Heap	McDonald	Peterson	Tjornhom
Bishop	Henry	McEachern	Poppenhagen	Tompkins
Blatz	Himle	McGuire	Price	Trimble
Boo	Hugoson	McLaughlin	Pugh	Tunheim
Brown	Jacobs	McPherson	Quinn	Uphus
Burger	Janezich	Milbert	Redalen	Valento
Carlson, D.	Jaros	Miller	Reding	Vellenga
Carlson, L.	Jefferson	Morrison	Rest	Wagenius
Carruthers	Jennings	Munger	Rice	Waltman
Clark	Johnson, A.	Murphy	Richter	Weaver
Conway	Johnson, R.	Nelson, C.	Rodosovich	Welle
Cooper	Johnson, V.	Nelson, K.	Rukavina	Wenzel
Dauner	Kahn	O'Connor	Runbeck	Williams
Dawkins	Kalis	Ogren	Sarna	Winter
Dempsey	Kelly	Olsen, S.	Schafer	Wynia
Dille	Kelso	Olson, K.	Scheid	Spk. Vanasek
Dorn	Kinkel	Omann	Schreiber	
Forsythe	Knickerbocker	Onnen	Seaberg	
Frederick	Kostohryz	Orenstein	Segal	

A quorum was present.

Olson, E., was excused.

Neuenschwander was excused until 8:00 p.m.

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

REPORTS OF CHIEF CLERK

Pursuant to Rules of the House, printed copies of H. F. Nos. 654, 59 and 372 and S. F. Nos. 852 and 1625 have been placed in the members' files.

REPORTS OF STANDING COMMITTEES

Long from the Committee on Taxes to which was referred:

H. F. No. 7, A bill for an act relating to the city of Edina; authorizing the city to operate a public transit system and to acquire necessary equipment, land, and interests in land; permitting the establishment of special service districts in the city; providing that the city and the housing and redevelopment authority need not require competitive bidding and bonds in connection with certain redevelopment projects.

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

The report was adopted.

Long from the Committee on Taxes to which was referred:

H. F. No. 871, A bill for an act relating to taxation; allowing a special levy to the cities of Windom and Jackson to meet costs of operating municipal hospitals; amending Minnesota Statutes 1988, section 275.50, subdivision 5, and 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.

Long from the Committee on Taxes to which was referred:

H. F. No. 1137, A bill for an act relating to metropolitan government; regulating the borrowing authority of the regional transit board; amending Minnesota Statutes 1988, section 473.39, subdivision 1a, and by adding subdivisions.

Reported the same back with the following amendments:

Page 1, line 11, delete "\$33,000,000" and insert "\$26,000,000"

Page 1, line 17, delete "\$11,000,000" and insert "\$4,700,000"

With the recommendation that when so amended the bill pass.

The report was adopted.

SECOND READING OF HOUSE BILLS

H. F. Nos. 7, 871 and 1137 were read for the second time.

INTRODUCTION AND FIRST READING OF HOUSE BILLS

The following House File was introduced:

Ogren, Dorn, Pugh, Clark and Anderson, R., introduced:

H. F. No. 1762, A bill for an act relating to human services; establishing requirements for wages and benefits for workers in intermediate care facilities for persons with mental retardation; amending Minnesota Statutes 1988, section 256B.501, subdivisions 1, 2, 3, and 3c.

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. 1387, A bill for an act relating to education; prohibiting certain punishment in schools; proposing coding for new law in Minnesota Statutes, chapter 127.

H. F. No. 1589, A bill for an act relating to the city of Minneapolis; giving the city certain powers pertaining to the delivery of energy

and environmental services; providing for combined hearings on improvements and assessments; amending Minnesota Statutes 1988, section 430.07, subdivision 5.

PATRICK E. FLAHAVEN, Secretary of the Senate

Mr. Speaker:

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

H. F. No. 65, A bill for an act relating to economic development; authorizing local jurisdictions involved in economic development to participate in secondary markets; proposing coding for new law in Minnesota Statutes, chapter 465.

The Senate has appointed as such committee:

Messrs. Dahl, Bernhagen and Frank.

Said House File is herewith returned to the House.

PATRICK E. FLAHAVEN, Secretary of the Senate

Mr. Speaker:

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

H. F. No. 300, A bill for an act relating to occupational safety and health; increasing certain penalties; proposing changes to the employee right-to-know act of 1984; amending Minnesota Statutes 1988, sections 182.651, subdivisions 7, 14, 15, and by adding a subdivision; and 182.653, subdivisions 4b, 4c, and 4f; repealing Minnesota Statutes 1988, section 182.651, subdivision 16.

The Senate has appointed as such committee:

Ms. Piper; Messrs. Pehler and Gustafson.

Said House File is herewith returned to the House.

PATRICK E. FLAHAVEN, Secretary of the Senate

Mr. Speaker:

I hereby announce that the Senate accedes to the request of the

House for the appointment of a Conference Committee on the amendments adopted by the Senate to the following House File:

H. F. No. 489, A bill for an act relating to employment; regulating fair share fees, unfair labor practices, arbitration procedures and grievance procedures; amending Minnesota Statutes 1988, sections 179.02, by adding a subdivision; 179A.03, subdivision 7; 179A.05, subdivision 6; 179A.06, subdivision 3; 179A.13, subdivision 1; 179A.14, subdivision 1; 179A.16, subdivisions 1, 2, 3, and 4; and 179A.20, subdivision 4.

The Senate has appointed as such committee:

Messrs. Freeman; Frederickson, D. J., and Decker.

Said House File is herewith returned to the House.

PATRICK E. FLAHAVEN, Secretary of the Senate

Mr. Speaker:

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

H. F. No. 527, A bill for an act relating to state parks; requiring collection facilities for recycling containers in state parks; proposing coding for new law in Minnesota Statutes, chapter 85.

The Senate has appointed as such committee:

Mr. Beckman; Ms. Piper and Mr. Frederickson, D. J.

Said House File is herewith returned to the House.

PATRICK E. FLAHAVEN, Secretary of the Senate

Mr. Speaker:

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

H. F. No. 826, A bill for an act relating to the collection and dissemination of data; providing access to private and confidential data related to delinquent acts for law enforcement purposes; amending Minnesota Statutes 1988, sections 13.84, subdivision 5a; and 260.161, subdivision 2.

The Senate has appointed as such committee:

Messrs. Merriam, Knaak and Peterson, R. W.

Said House File is herewith returned to the House.

PATRICK E. FLAHAVEN, Secretary of the Senate

Mr. Speaker:

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

H. F. No. 949, A bill for an act relating to traffic safety; increasing penalties for persons convicted of DWI after a previous conviction for criminal vehicular operation or for another impaired driving crime; amending Minnesota Statutes 1988, section 169.121, subdivision 3.

The Senate has appointed as such committee:

Messrs. Taylor, Spear and Pogemiller.

Said House File is herewith returned to the House.

PATRICK E. FLAHAVEN, Secretary of the Senate

Mr. Speaker:

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

H. F. No. 943, A bill for an act relating to health; requiring post-secondary students to submit a statement of immunization; providing exemptions; amending Minnesota Statutes 1988, section 123.70, subdivisions 1, 2, 4, 8, 9, and by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapter 135A.

The Senate has appointed as such committee:

Messrs. Vickerman, Pehler and Knutson.

Said House File is herewith returned to the House.

PATRICK E. FLAHAVEN, Secretary of the Senate

Mr. Speaker:

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

H. F. No. 1734, A bill for an act relating to the financing of government in Minnesota; changing tax rates and bases; modifying the administration, collection, and enforcement of taxes; imposing taxes; creating tax exemptions; changing the computation, administration, and payment of aids, credits, and refunds; providing new aids and credits; making technical corrections and clarifications; changing proposed property tax notice provisions; changing levy limits and other local government powers and duties; providing for subordinate service districts; providing for accreditation of assessors; changing tax increment financing provisions; providing for payment of deferred taxes on sale of railroad operating property; extending valuation and deferment of agricultural property taxes in certain instances; authorizing the cities of Mankato and Hopkins to establish special service districts; authorizing establishment of an economic development authority in the city of Otsego and in Kandiyohi county; exempting Itasca county from a levy limit penalty; providing for payment of certain aid to the cities of Falcon Heights and Lauderdale; extending the duration of a tax increment financing district in the city of Moorhead; granting certain powers to towns; appropriating money; amending Minnesota Statutes 1988, sections 38.27, subdivision 1; 60A.15, subdivision 1; 93.55, subdivision 4; 124A.03, subdivision 2; 256.018; 256.82, subdivision 1; 256.871, subdivision 6; 256B.041, subdivision 5; 270.052; 270.067, subdivisions 1 and 2; 270.071, subdivision 6; 270.072, subdivisions 2 and 3; 270.075, subdivision 2; 270.12, subdivision 2, and by adding a subdivision; 270.485; 270.80, subdivision 1; 272.01, subdivision 2; 272.02, subdivision 1, and by adding a subdivision; 273.01; 273.061, subdivisions 1 and 2; 273.11, by adding a subdivision; 273.111, subdivision 3; 273.112, subdivision 3, and by adding a subdivision; 273.119, subdivision 2; 273.123, subdivisions 4 and 5; 273.124, subdivisions 6, 8, 9, 12, 13, and by adding a subdivision; 273.13, subdivisions 22, 23, 24, 25, 31, and by adding a subdivision; 273.135, subdivisions 2 and 2a; 273.1391, subdivisions 2 and 2a; 273.1392; 273.1393; 273.1398, subdivisions 1, 2, 3, 4, and by adding a subdivision; 275.07, subdivision 1; 275.08, subdivision 1c; 275.28, subdivision 1; 275.50, subdivisions 2, 5, and by adding a subdivision; 275.51, subdivisions 3f, 3g, 3h, 3i, 3j, 4, and 6; 275.58, subdivision 1; 276.04; 278.03; 278.05, subdivisions 4 and 5; 279.01, subdivisions 1 and 3; 279.37, subdivision 7; 290.015, subdivisions 3 and 4; 290.05, subdivision 3; 290.06, subdivisions 1 and 21; 290.067, subdivision 2, and by adding a subdivision; 290.0802, subdivision 1; 290.091, subdivision 2; and by adding a subdivision; 290.17; by adding a subdivision; 290.21, subdivision 4; 290.37, subdivision 1; 290.38; 290.92, subdivision 4b, as added; 290.934, subdivision 3a; 290A.03, subdivision 12; 290A.04, subdivisions 2, 2h, and by adding a

subdivision; 295.34, subdivision 1; 297.01, subdivision 13, and by adding a subdivision; 297.03, subdivision 6; 297.04, subdivisions 4, 5, and 6; 297.041, subdivision 1; 297.08, subdivision 1; 297.31, by adding a subdivision; 297.33, subdivisions 4, 5, 6, 7, and 8; 297A.01, subdivision 3; 297A.15, by adding a subdivision; 297A.25, subdivision 3, and by adding subdivisions; 297A.257, by adding a subdivision; 297B.03; 297C.03, subdivision 1; 297C.09; 349.12, subdivisions 11, 13, and by adding subdivisions; 349.15; 349.16, by adding a subdivision; 349.212, subdivision 4, and by adding a subdivision; 349.214, subdivision 4; 373.40, subdivisions 1, 2, 4, and 6; 375.192, subdivision 2; 444.075, subdivision 1; 444.16; 444.17; 444.18; 444.19; 444.20; 459.14, by adding a subdivision; 469.012, by adding a subdivision; 469.040, subdivision 2; 469.171, by adding a subdivision; 469.174, subdivision 10, and by adding a subdivision; 469.175, subdivisions 3, 7, and by adding a subdivision; 469.176, subdivisions 1, 4c, 6, and by adding a subdivision; 469.177, subdivision 10; 473.167, subdivisions 3 and 5; 473.249, subdivision 1; 473F.08, subdivision 3; 473H.10, subdivision 3; 477A.011, subdivisions 1a and 15; and 477A.013, subdivisions 1, 3, and 4; Laws 1988, chapter 719, articles 1, section 22; 7, section 9; 8, section 37; and 12, sections 29 and 30, as amended; proposing coding for new law in Minnesota Statutes, chapters 273; 275; 276; 297A; 365B; and 469; proposing coding for new law as Minnesota Statutes, chapter 365B; repealing Minnesota Statutes 1988, sections 38.17; 38.27, subdivision 3; 38.28; 60A.151; 271.061; 275.065; 275.57; 275.58, subdivision 4; 276.13; 276.14; 297.01, subdivision 15; 297.03, subdivision 12; 297.04, subdivision 10; 297.33, subdivision 13; 297C.03, subdivisions 4 and 4a; and 473.249, subdivision 3; Laws 1988, chapter 719, article 8, section 35; and Laws 1989, chapter 27, article 2, sections 2 and 3.

The Senate has appointed as such committee:

Messrs. Johnson, D. J.; Brandl; Novak; Pogemiller and Stumpf.

Said House File is herewith returned to the House.

PATRICK E. FLAHAVEN, Secretary of the Senate

Mr. Speaker:

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

H. F. No. 266, A bill for an act relating to taxation; making technical corrections and clarifications and administrative changes to premium taxes, cigarette taxes, sales taxes, motor vehicle excise taxes, gasoline and special fuel taxes, liquor taxes, marijuana and controlled substances taxes, lodging taxes, and the metropolitan solid waste landfill fee; providing for unmarked vehicles for use by the department of revenue; providing for sales of unstamped tobacco

products and liquor to Indian tribes; providing for cancellation of sales tax permits; repealing obsolete or unnecessary terms or provisions; repealing express company, freight line company, and sleeping car company gross earnings taxes; requiring notification of the commissioner prior to selling cigarettes at prices other than those presumed by law; amending Minnesota Statutes 1988, sections 16B.54, subdivision 2; 41A.09, subdivision 3; 69.011, subdivision 2; 69.54; 168.012, subdivision 1; 270.06; 270.60; 296.18, subdivision 1; 297.041, subdivisions 1, 2, and 4; 297A.06; 297A.17; 297A.20; 297A.21, subdivision 4; 297A.25, subdivisions 11 and 16; 297B.01, subdivision 5; 297B.02, subdivision 1; 297B.03; 297D.13, by adding a subdivision; 325D.32, subdivision 10; 325D.37, by adding a subdivision; 469.190, subdivision 1; 473.843, subdivision 1; proposing coding for new law in Minnesota Statutes, chapters 297, 297A, 297C, and 297D; repealing Minnesota Statutes 1988, sections 295.01, subdivisions 4, 5, 6, 7, and 8; 295.15; 295.21; 295.23; 295.24; 295.25; 295.27; 295.29; 295.30; 295.31; 297A.19; 297A.253; 477A.018; and 477A.019.

PATRICK E. FLAHAVEN, Secretary of the Senate

Long moved that the House refuse to concur in the Senate amendments to H. F. No. 266, that the Speaker appoint a Conference Committee of 3 members of the House, and that the House requests that a like committee be appointed by the Senate to confer on the disagreeing votes of the two houses. The motion prevailed.

Mr. Speaker:

I hereby announce that the Senate refuses to concur in the House amendments to Senate File No. 1625:

S. F. No. 1625, A bill for an act relating to public administration; appropriating money for education and related purposes to the higher education coordinating board, state board of vocational technical education, state board for community colleges, state university board, University of Minnesota, and the Mayo medical foundation, with certain conditions; amending Minnesota Statutes 1988, sections 121.93, subdivisions 2, 3, and 4; 136.31, subdivisions 3 and 5; 136A.04; 136A.05; 136A.08; 136A.095; 136A.101, subdivisions 1 and 7; 136A.121; 136A.131; 136A.132; 136A.134, subdivision 4; 136A.15, subdivision 1; 136A.16, subdivisions 1, 2, 5, 8, 9, and 10; 136A.17, subdivision 1; 136A.1701, subdivisions 1, 2, and 5; 136A.172; 136A.173, subdivision 1; 136A.174; 136A.175, subdivision 4; 136A.176; 136A.177; 136A.178; 136A.179; 136A.29, subdivision 9; 136C.04, subdivisions 1, 2, 6, 10, and 18; 136C.042, subdivision 2; 136C.05, by adding a subdivision; 136C.07, subdivision 4; 136C.075; 136C.08, subdivision 1; 136C.15; 136C.31, by adding a subdivision; 136C.36; 136C.43, subdivision 1; 169.44, subdivision 18; 275.125, subdivision 14a; 354.094, subdivisions 1a

and 1b; 354A.091, subdivision 1a; 355.46, subdivision 3; proposing coding for new law in Minnesota Statutes, chapters 135A and 136A; repealing Minnesota Statutes 1988, sections 121.936, subdivision 1a; 136A.042; 136A.09; 136A.101, subdivision 6; 136A.111; 136A.121, subdivisions 1, 4, and 15; 136A.14; 136A.141; 136A.142; 136A.51; 136A.52; 136A.53; 136C.07, subdivisions 1, 2, 3, and 6; 136C.21; 136C.211; 136C.212; 136C.213; 136C.22; 136C.221; 136C.222; 136C.223; 136C.25; 136C.26, subdivisions 1, 3, 4, 5, 6, 7, and 9; 136C.27, subdivision 2; 136C.28, subdivisions 1 and 2; 136C.29; 136C.33, subdivisions 1 and 2; 136C.42; and 136C.43, subdivisions 1, 2, and 3.

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

Messrs. Waldorf, Dicklich, and Taylor; Mrs. Brataas and Mr. DeCramer.

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

PATRICK E. FLAHAVEN, Secretary of the Senate

Carlson, L., moved that the House accede to the request of the Senate and that the Speaker appoint a Conference Committee of 5 members of the House to meet with a like committee appointed by the Senate on the disagreeing votes of the two houses on S. F. No. 1625. The motion prevailed.

Mr. Speaker:

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

S. F. Nos. 477, 613 and 1374.

PATRICK E. FLAHAVEN, Secretary of the Senate

FIRST READING OF SENATE BILLS

S. F. No. 477, A bill for an act relating to regional railroad authorities; permitting authorities to enter certain agreements; amending Minnesota Statutes 1988, section 398A.04, subdivision 9.

The bill was read for the first time and referred to the Committee on Local Government and Metropolitan Affairs.

S. F. No. 613, A bill for an act relating to housing; regulating the powers and duties of the housing finance agency; amending Minnesota Statutes 1988, sections 462A.03, subdivision 12; 462A.05, subdivisions 4, 14a, 20, 21, and 27, and by adding subdivisions; 462A.07, subdivision 14, and by adding a subdivision; and 462A.21, subdivisions 4c and 12, and by adding a subdivision.

The bill was read for the first time.

O'Connor moved that S. F. No. 613 and H. F. No. 399, now on General Orders, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 1374, A bill for an act relating to education; providing that discrimination against a pupil by a teacher may be grounds for discharge or demotion; amending Minnesota Statutes 1988, sections 125.12, subdivision 8; and 125.17, subdivision 4.

The bill was read for the first time.

Trimble moved that S. F. No. 1374 and H. F. No. 1715, now on Special Orders, be referred to the Chief Clerk for comparison. The motion prevailed.

Wynia moved that the House recess subject to the call of the Chair. The motion prevailed.

RECESS

RECONVENED

The House reconvened and was called to order by the Speaker.

CONSIDERATION UNDER RULE 1.10

Pursuant to rule 1.10, Anderson, G., requested immediate consideration of H. F. No. 372.

H. F. No. 372 was reported to the House.

Kahn moved to amend H. F. No. 372, the first engrossment, as follows:

Page 3, delete line 26, and insert:

"General \$434,408,900 \$467,030,200 \$901,439,100"

Page 3, delete line 27, and insert:

"Special Revenue 35,507,000 36,321,000 71,828,000"

Page 4, delete line 2, and insert:

"TOTAL \$561,115,900 \$608,662,700 \$1,169,778,600"

Page 23, line 38, delete "133,022,500" and insert "132,525,500" and delete "133,468,000" and insert "133,268,000"

Page 23, line 43, delete "\$63,565,500" and insert "\$63,068,500" and delete "\$62,815,000" and insert "\$62,615,000"

Page 44, line 6, delete "\$2,506,000" and insert "\$2,686,000"

The motion prevailed and the amendment was adopted.

Anderson, R.; Carlson, D.; Kahn; Kalis; Jennings and Redalen moved to amend H. F. No. 372, the first engrossment, as amended, as follows:

Page 35, after line 37, insert:

"Notwithstanding any other law to the contrary, municipalities on the needs list for state reimbursement of wastewater treatment facilities shall not have their position on the state needs list changed in any way as a result of local funding of wastewater treatment facilities under Minnesota Statutes, section 116.18, subdivision 3c."

The motion prevailed and the amendment was adopted.

Murphy, Otis, Peterson, Cooper, Orenstein, Dille, Girard, Sparby and Rukavina moved to amend H. F. No. 372, the first engrossment, as amended, as follows:

Page 6, line 36, after the period insert:

"\$50,000 of this appropriation is for a legislative task force on the promotion of environmentally sound minerals development. The task force is to consist of five members of the senate, including members of the minority caucus, and five members of the house, includ-

ing members of the minority caucus. The task force will study the current state of environmentally sound minerals development, appropriate role of the state in this development, and current state practices which may inhibit this development. The task force shall report its findings to the legislature by January 15, 1991, and shall cease to exist upon the submission of its report."

The motion prevailed and the amendment was adopted.

Weaver moved to amend H. F. No. 372, the first engrossment, as amended, as follows:

Page 77, after line 21, insert:

"Sec. 51. [GENERAL REDUCTION.]

\$14,000,000 and 200 vacant general fund positions are deducted from agencies controlled by this budget. The department of finance shall allocate the reductions pro rata."

Renumber the sections in sequence

Adjust totals accordingly

A roll call was requested and properly seconded.

The question was taken on the Weaver amendment and the roll was called. There were 60 yeas and 66 nays as follows:

Those who voted in the affirmative were:

Abrams	Frederick	Jacobs	Olsen, S.	Schreiber
Beard	Frerichs	Jennings	Omann	Seaberg
Bennett	Girard	Johnson, V.	Onnen	Stanisus
Bertram	Gruenes	Knickerbocker	Ozment	Swiggum
Blatz	Gutknecht	Limmer	Pauly	Swenson
Boo	Hartle	Lynch	Pellow	Tjornhom
Burger	Hasskamp	Macklin	Poppenhagen	Tompkins
Carruthers	Haukoos	Marsh	Pugh	Uphus
Conway	Heap	McDonald	Redalen	Valento
Dempsey	Henry	McPherson	Richter	Waltman
Dille	Himle	Miller	Runbeck	Weaver
Forsythe	Hugoson	Morrison	Schafer	Wenzel

Those who voted in the negative were:

Anderson, G.	Bauerly	Bishop	Carlson, L.	Cooper
Battaglia	Beigh	Brown	Clark	Dauner

Dawkins	Kostohryz	Ogren	Rest	Tunheim
Dorn	Krueger	Olson, K.	Rice	Vellenga
Greenfield	Lasley	Orenstein	Rodosovich	Wagenius
Janezich	Lieder	Osthoff	Rukavina	Welle
Jefferson	Long	Ostrom	Sarna	Williams
Johnson, A.	McEachern	Otis	Scheid	Winter
Johnson, R.	McGuire	Pappas	Segal	Wynia
Kahn	McLaughlin	Pelowski	Skoglund	Spk. Vanasek
Kalis	Munger	Peterson	Solberg	
Kelly	Murphy	Price	Sparby	
Kelso	Nelson, C.	Quinn	Steensma	
Kinkel	Nelson, K.	Reding	Trimble	

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

Stanis moved to amend H. F. No. 372, the first engrossment, as amended, as follows:

Page 108, line 22, strike "in a ratio" and after "of" strike the remainder of the line

Page 108, line 23, strike "and" and delete "80" and insert "100"

A roll call was requested and properly seconded.

The question was taken on the Stanis amendment and the roll was called. There were 49 yeas and 79 nays as follows:

Those who voted in the affirmative were:

Anderson, R.	Gutknecht	Lynch	Onnen	Stanis
Beard	Hasskamp	Macklin	Ozment	Sviggum
Bennett	Haukoos	Marsh	Pellow	Swenson
Boo	Heap	McDonald	Poppenhagen	Tjornhom
Brown	Henry	McEachern	Quinn	Tompkins
Dempsey	Hugoson	McPherson	Richter	Uphus
Frederick	Jacobs	Miller	Rumbeck	Valento
Frerichs	Johnson, R.	O'Connor	Sarna	Waltman
Girard	Knickerbocker	Ogren	Schafer	Weaver
Gruenes	Limmer	Omam	Schreiber	

Those who voted in the negative were:

Abrams	Dauner	Kalis	Nelson, C.	Redalen
Anderson, G.	Dawkins	Kelly	Nelson, K.	Reding
Battaglia	Dille	Kelso	Olsen, S.	Rest
Bauerly	Dorn	Kinkel	Olson, K.	Rice
Begich	Forsythe	Kostohryz	Orenstein	Rodosovich
Bertram	Greenfield	Krueger	Osthoff	Rukavina
Bishop	Hartle	Lasley	Ostrom	Scheid
Blatz	Himle	Lieder	Otis	Seaberg
Burger	Janezich	Long	Pappas	Segal
Carlson, D.	Jefferson	McGuire	Pauly	Skoglund
Carlson, L.	Jennings	McLaughlin	Pelowski	Solberg
Carruthers	Johnson, A.	Milbert	Peterson	Sparby
Conway	Johnson, V.	Morrison	Price	Steensma
Cooper	Kahn	Murphy	Pugh	Trimble

Tunheim
VellengaWagenius
WelleWenzel
WilliamsWinter
Wynia

Spk. Vanasek

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

Seaberg moved to amend H. F. No. 372, the first engrossment, as amended, as follows:

Page 101, delete lines 14 to 18

Renumber the sections in sequence

Correct internal references

Amend the title as follows:

Page 1, line 33, delete the second "subdivisions" and insert "subdivision"

Page 1, line 34, delete "and 5"

A roll call was requested and properly seconded.

The question was taken on the Seaberg amendment and the roll was called. There were 63 yeas and 65 nays as follows:

Those who voted in the affirmative were:

Abrams	Frederick	Kalis	Olsen, S.	Seaberg
Anderson, R.	Frerichs	Knickerbocker	Omann	Stanius
Bauerly	Girard	Kostohryz	Onnen	Steensma
Bennett	Gruenes	Lieder	Ostrom	Sviggum
Bertram	Gutknecht	Limmer	Ozment	Tjornhom
Bishop	Hartle	Lynch	Pauly	Tompkins
Blatz	Haukoos	Macklin	Pellow	Tunheim
Boo	Heap	Marsh	Poppenhagen	Uphus
Burger	Henry	McDonald	Redalen	Valento
Dauner	Himle	McPherson	Reding	Waltman
Dempsey	Hugoson	Miller	Richter	Weaver
Dille	Jennings	Morrison	Schafer	
Forsythe	Johnson, V.	Munger	Schreiber	

Those who voted in the negative were:

Anderson, G.	Dawkins	Kelly	Murphy	Pelowski
Battaglia	Dorn	Kelso	Nelson, C.	Peterson
Beard	Greenfield	Kinkel	Nelson, K.	Price
Begich	Hasskamp	Krueger	O'Connor	Pugh
Brown	Jacobs	Lasley	Ogren	Quinn
Carlson, L.	Janezich	Long	Olson, K.	Rest
Carruthers	Jefferson	McEachern	Orenstein	Rice
Clark	Johnson, A.	McGuire	Osthoff	Rodosovich
Conway	Johnson, R.	McLaughlin	Otis	Runbeck
Cooper	Kahn	Milbert	Pappas	Sarna

Scheid
Segal
Skoglund

Solberg
Sparby
Swenson

Trimble
Vellenga
Wagenius

Welle
Wenzel
Williams

Winter
Wynia
Spk. Vanasek

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

Sviggum, Waltman and McPherson moved to amend H. F. No. 372, the first engrossment, as amended, as follows:

Page 74, after line 14, insert:

"The salary increases recommended by the compensation council in a report dated April 1, 1989, for legislators and constitutional officers are rejected."

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

Sviggum and Tjornhom moved to amend H. F. No. 372, the first engrossment, as amended, as follows:

Page 216, lines 20 and 21, delete "a city of the first class as defined in section 410.01" and insert "any statutory or home rule charter city"

Page 217, line 32, before "Targeted" insert "For cities of the first class as defined in section 410.01,"

Page 218, line 2, after the period insert "For a city other than a city of the first class, targeted neighborhood means a contiguous area within the boundaries of the city that a city council determines by resolution meets the criteria of section 2, subdivision 2."

Page 219, line 3, delete "Minneapolis and St. Paul, and" and insert "cities located in the metropolitan area defined in section 473.121, subdivision 2,"

Page 219, line 5, delete "Duluth" and insert "cities located in this standard metropolitan statistical area, and (iii) the entire state for the purposes of designating targeted neighborhoods in cities not included in (i) or (ii)"

Page 221, line 3, after the period insert "Any other city may use an existing citizen participation process if it meets the requirements of this subdivision or establish a new process that meets the requirements of this subdivision."

Page 224, lines 16 and 17, delete "of the first class as defined in section 410.01,"

Page 224, line 20, delete "of the first class" and insert "that have submitted certified programs to the commissioner"

Amend the title accordingly

A roll call was requested and properly seconded.

The question was taken on the Sviggum and Tjornhom amendment and the roll was called. There were 60 yeas and 70 nays as follows:

Those who voted in the affirmative were:

Abrams	Frerichs	Johnson, R.	Omann	Stanius
Anderson, R.	Girard	Johnson, V.	Onnen	Steensma
Bennett	Gruenes	Lynch	Ostrom	Sviggum
Bishop	Gutknecht	Macklin	Ozment	Swenson
Blatz	Hartle	Marsh	Pellow	Tjornhom
Burger	Hasskamp	McDonald	Poppenhagen	Tompkins
Conway	Haukoos	McEachern	Redalen	Uphus
Cooper	Henry	McPherson	Richter	Valento
Dauner	Himle	Miller	Runbeck	Waltman
Dempsey	Hugoson	Morrison	Schafer	Weaver
Dorn	Jacobs	Ogren	Schreiber	Williams
Frederick	Jennings	Olson, K.	Seaberg	Winter

Those who voted in the negative were:

Anderson, G.	Heap	Lieder	Otis	Scheid
Battaglia	Janezich	Limmer	Pappas	Segal
Bauerly	Jaros	Long	Pauly	Simoneau
Beard	Jefferson	McGuire	Pelowski	Skoglund
Begich	Johnson, A.	McLaughlin	Peterson	Solberg
Bertram	Kahn	Milbert	Price	Sparby
Boo	Kalis	Munger	Pugh	Trimble
Brown	Kelly	Murphy	Quinn	Tunheim
Carlson, D.	Kelso	Nelson, C.	Reding	Vellenga
Carlson, L.	Kinkel	Nelson, K.	Rest	Wagenius
Clark	Knickerbocker	O'Connor	Rice	Welle
Dawkins	Kostohryz	Olsen, S.	Rodosovich	Wenzel
Forsythe	Krueger	Orenstein	Rukavina	Wynia
Greenfield	Lasley	Osthoff	Sarna	Spk. Vanasek

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

Valento moved to amend H. F. No. 372, the first engrossment, as amended, as follows:

Pages 108 to 117, delete sections 85 to 121

Page 118, delete lines 17 to 26

Page 214, delete lines 14 to 16

Renumber subsequent sections

A roll call was requested and properly seconded.

The question was taken on the Valento amendment and the roll was called. There were 62 yeas and 64 nays as follows:

Those who voted in the affirmative were:

Anderson, R.	Frerichs	Limmer	Ozment	Swenson
Bauerly	Girard	Lynch	Pauly	Tjornhorn
Beard	Gruenes	Macklin	Pellow	Tompkins
Bennett	Gutknecht	Marsh	Pelowski	Tunheim
Blatz	Hartle	McDonald	Poppenhagen	Uphus
Boo	Hasskamp	McEachern	Richter	Valento
Burger	Haukoos	McGuire	Runbeck	Waltman
Conway	Heap	McPherson	Schafer	Weaver
Dauner	Henry	Miller	Schreiber	Wenzel
Demsey	Himle	Morrison	Seaberg	Winter
Dille	Hugoson	Olsen, S.	Stanius	
Dorn	Johnson, V.	Omman	Steensma	
Frederick	Knickerbocker	Onnen	Svigum	

Those who voted in the negative were:

Abrams	Greenfield	Lasley	Otis	Segal
Anderson, G.	Janezich	Lieder	Pappas	Simoneau
Battaglia	Jefferson	Long	Peterson	Skoglund
Begich	Jennings	McLaughlin	Price	Solberg
Bertram	Johnson, A.	Milbert	Pugh	Sparby
Bishop	Johnson, R.	Munger	Quinn	Trimble
Carlson, D.	Kahn	Murphy	Redalen	Vellenga
Carlson, L.	Kalis	Nelson, C.	Reding	Wagenius
Carruthers	Kelly	Nelson, K.	Rest	Welle
Clark	Kelso	Olson, K.	Rice	Williams
Cooper	Kinkel	Orenstein	Rodosovich	Wynia
Dawkins	Kostohryz	Osthoff	Rukavina	Spk. Vanasek
Forsythe	Krueger	Ostrom	Scheid	

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

Begich moved to amend H. F. No. 372, the first engrossment, as amended, as follows:

Page 159, delete section 177

Pages 159 and 160, delete section 178

Renumber the sections in sequence

Correct internal references

Amend the title accordingly

A roll call was requested and properly seconded.

The question was taken on the Begich amendment and the roll was called. There were 106 yeas and 17 nays as follows:

Those who voted in the affirmative were:

Anderson, R.	Girard	Kostohryz	Onnen	Schreiber
Battaglia	Gruenes	Krueger	Orenstein	Seaberg
Bauerly	Gutknecht	Lieder	Ostrom	Skoglund
Beard	Hartle	Limmer	Otis	Solberg
Begich	Hasskamp	Lynch	Ozment	Sparby
Bennett	Haukoos	Macklin	Pauly	Stanius
Bertram	Henry	Marsh	Pellow	Steensma
Blatz	Himle	McDonald	Pelowski	Sviggum
Boo	Hugoson	McEachern	Peterson	Swenson
Brown	Jacobs	McPherson	Price	Tjornhom
Burger	Janezich	Milbert	Pugh	Tompkins
Carlson, L.	Jaros	Morrison	Quinn	Trimble
Carruthers	Jefferson	Munger	Redalen	Tunheim
Conway	Jennings	Murphy	Reding	Uphus
Cooper	Johnson, A.	Nelson, C.	Rest	Valento
Dauner	Johnson, R.	Nelson, K.	Richter	Wagenius
Dempsey	Johnson, V.	O'Connor	Rodosovich	Waltman
Dille	Kalis	Ogren	Rukavina	Weaver
Dorn	Kelly	Olsen, S.	Runbeck	Welle
Frederick	Kelso	Olson, K.	Sarna	Wenzel
Frerichs	Kinkel	Omann	Schafer	Winter
				Spk. Vanasek

Those who voted in the negative were:

Abrams	Dawkins	Knickerbocker	Miller	Wynia
Anderson, G.	Forsythe	Lasley	Osthoff	
Bishop	Heap	Long	Poppenhagen	
Carlson, D.	Kahn	McGuire	Scheid	

The motion prevailed and the amendment was adopted.

Otis; Clark; Greenfield; Battaglia; Carlson, D.; Kahn; Rice; Sarna; Sparby; Krueger; Ogren; Wenzel; Abrams; Solberg; McLaughlin; Nelson, K.; Quinn and Peterson moved to amend H. F. No. 372, the first engrossment, as amended, as follows:

Page 95, after line 2, insert:

"Sec. 64. Minnesota Statutes 1988, section 69.031, subdivision 5, is amended to read:

Subd. 5. [DEPOSIT OF STATE AID.] (1) The municipal treasurer, on receiving the fire state aid, shall within 30 days after receipt transmit it to the treasurer of the duly incorporated firefighters' relief association if there is one organized and the association has filed a financial report with the municipality; but if there is no relief association organized, or if any association dissolve, be removed, or has heretofore dissolved, or has been removed as trustees of state aid, then the treasurer of the municipality shall keep the money in the municipal treasury as provided for in section 424A.08 and shall be disbursed only for the purposes and in the manner set forth in that section.

(2) The municipal treasurer, upon receipt of the police state aid, shall disburse the police state aid in the following manner:

(a) For a municipality in which a local police relief association exists and all peace officers are members of the association, the total state aid shall be transmitted to the treasurer of the relief association within 30 days of the date of receipt, and the treasurer of the relief association shall immediately deposit the total state aid in the special fund of the relief association;

(b) For a municipality in which police retirement coverage is provided by the public employees police and fire fund and all peace officers are members of the fund, the total state aid shall be applied toward the municipality's employer contribution to the public employees police and fire fund pursuant to section 353.65, subdivision 3, and any state aid in excess of the amount required to meet the employer's contribution pursuant to section 353.65, subdivision 3, shall also be contributed to the public employees police and fire fund and credited in the manner to be specified by the board of trustees of the public employees retirement association; or

(c) For a municipality other than a city of the first class with a population of more than 300,000 in which both a police relief association exists and police retirement coverage is provided in part by the public employees police and fire fund, the municipality may elect at its option to transmit the total state aid to the treasurer of the relief association as provided in clause (a), to use the total state aid to apply toward the municipality's employer contribution to the public employees police and fire fund subject to all the provisions set forth in clause (b), or to allot the total state aid proportionately to be transmitted to the police relief association as provided in this subdivision and to apply toward the municipality's employer contribution to the public employees police and fire fund subject to the provisions of clause (b) on the basis of the respective number of active full-time peace officers, as defined in section 69.011, subdivision 1, clause (g).

For a city of the first class with a population of more than 300,000, in addition, the city may elect to allot the appropriate portion of the total police state aid to apply toward the employer contribution of the city to the public employees police and fire fund based on the covered salary of police officers covered by the fund each payroll period and to transmit the balance to the police relief association.

(3) The county treasurer, upon receipt of the police state aid for the county, shall apply the total state aid toward the county's employer contribution to the public employees police and fire fund pursuant to section 353.65, subdivision 3, and any state aid in excess of the amount required to meet the employer's contribution pursuant to section 353.65, subdivision 3, shall also be contributed to the public employees police and fire fund and credited in the manner to be

specified by the board of trustees of the public employees retirement association.

Sec. 65. Minnesota Statutes 1988, section 69.77, subdivision 2b, is amended to read:

Subd. 2b. [RELIEF ASSOCIATION FINANCIAL REQUIREMENTS; MINIMUM MUNICIPAL OBLIGATION.] The officers of the relief association shall determine the financial requirements of the relief association and minimum obligation of the municipality for the following calendar year in accordance with the requirements of this subdivision. The financial requirements of the relief association and the minimum obligation of the municipality shall be determined on or before the submission date established by the municipality pursuant to subdivision 2c.

The financial requirements of the relief association for the following calendar year shall be based on the most recent actuarial valuation or survey of the special fund of the association if more than one fund is maintained by the association, or of the association, if only one fund is maintained, prepared in accordance with sections 356.215, subdivisions 4 to 4k and 356.216, as required pursuant to subdivision 2h. If an actuarial estimate is prepared by the actuary of the relief association as part of obtaining a modification of the benefit plan of the relief association and the modification is implemented, the actuarial estimate shall be used in calculating the financial requirements of the relief association.

If the relief association has an unfunded actuarial accrued liability as reported in the most recent actuarial valuation or survey, the total of the amounts calculated pursuant to clauses (a), (b), and (c) shall constitute the financial requirements of the relief association for the following year. If the relief association does not have an unfunded actuarial accrued liability as reported in the most recent actuarial valuation or survey the amount calculated pursuant to clauses (a) and (b) shall constitute the financial requirements of the relief association for the following year.

(a) The normal level cost requirement for the following year, expressed as a dollar amount, which shall be determined by applying the normal level cost of the relief association as reported in the actuarial valuation or survey and expressed as a percentage of covered payroll to the estimated covered payroll of the active membership of the relief association, including any projected increase in the active membership, for the following year.

(b) To the dollar amount of normal cost thus determined shall be added an amount equal to the dollar amount of the administrative expenses of the special fund of the association if more than one fund is maintained by the association, or of the association if only one fund is maintained, for the most recent year, multiplied by the factor

of 1.035. For a relief association in a municipality other than a city of the first class with a population of more than 300,000, the administrative expenses are those authorized under section 69.80. For a relief association in a city of the first class with a population of more than 300,000, the administrative expenses are those authorized under section 69.80 other than amounts paid for investment advice performed by an independent contractor in the capacity of a consultant, manager, or advisor in connection with the investment of the assets of the special fund of the relief association.

(c) To the dollar amount of normal cost and expenses determined under clauses (a) and (b) shall be added an amount equal to the level annual dollar amount which is sufficient to amortize the unfunded actuarial accrued liability by December 31, 2010, as determined from the actuarial valuation or survey of the fund, using an interest assumption set at the rate specified in section 356.215, subdivision 4d. The amortization date specified in this clause shall apply to all local police or salaried firefighters' relief associations and shall supersede any amortization date specified in any applicable special law.

The minimum obligation of the municipality shall be an amount equal to the financial requirements of the relief association reduced by the estimated amount of member contributions from covered salary anticipated for the following calendar year and the estimated amounts anticipated for the following calendar year from the applicable state aid program established pursuant to sections 69.011 to 69.051 receivable by the relief association after any allocation made pursuant to section 69.031, subdivision 5, clause (2), subclause (c) or 423A.01, subdivision 2, clause (6), from the local police and salaried firefighters' relief association amortization aid program established pursuant to section 423A.02 and from the supplementary amortization state-aid program established under Laws 1984, chapter 564, section 48, and Laws 1985, chapter 261, section 17."

Page 190, after line 22, insert:

"Sec. 217. Minnesota Statutes 1988, section 423A.01, subdivision 2, is amended to read:

Subd. 2. [OPERATION OF LOCAL RELIEF ASSOCIATION UPON MODIFICATION OF RETIREMENT COVERAGE FOR NEWLY HIRED POLICE OFFICERS AND FIREFIGHTERS.] The following provisions shall govern the operation of a local relief association upon the modification of retirement coverage for newly hired police officers or firefighters:

(1) The minimum obligation of a municipality in which the retirement coverage for newly hired police officers or salaried firefighters has been modified pursuant to subdivision 1 with respect to the local relief association shall be determined and

governed in accordance with the provisions of sections 69.77, 356.215 and 356.216, except that the normal cost calculation for the relief association shall be computed as a percentage of the compensation paid to the active members of the relief association. The compensation paid to persons with retirement coverage modified pursuant to subdivision 1 shall not be included in any of the computations made in determining the obligation of the municipality with respect to the local relief association.

(2) The contribution rate of members of the local relief association shall be governed by section 69.77, unless a special law establishing a greater member contribution rate is applicable whereupon it shall continue to govern. The member contribution rate of persons with retirement coverage modified pursuant to subdivision 1 shall be governed by section 353.65.

(3) Unless otherwise provided for by law, when every active member of the local relief association retires or terminates from active duty, the local relief association shall cease to exist as a legal entity and the assets of the special fund of the relief association shall be transferred to a trust fund to be established by the appropriate municipality for the purpose of paying service pensions and retirement benefits to recipient beneficiaries. Recipient beneficiaries who are competent to act on their own behalf shall be entitled to select the prescribed number of trustees of the trust fund as provided in this clause, subject to the approval of the governing body of the municipality. If there are at least five recipient beneficiaries, the trust fund shall be managed by a board of trustees composed of five persons selected by the recipient beneficiaries of the fund. When there are fewer than five recipient beneficiaries, the number of trustees selected by the recipient beneficiaries shall be equal to the number of the remaining recipient beneficiaries. The governing body of the municipality shall select the additional trustees. The term of the elected members of the board of trustees shall be indefinite and shall continue until a vacancy occurs in one of the board of trustee member positions. Board of trustee members shall not be compensated for their services, but shall be reimbursed for any expenses actually and necessarily incurred as a result of the performance of their duties in their capacity as board of trustee members. The municipality shall perform whatever services are necessary to administer the trust fund. When all obligations of the trust fund are paid, the balance of the assets remaining in the trust fund shall revert to the municipality for expenditure for law enforcement or firefighting purposes, whichever is applicable.

(4) The financial requirements of the trust fund and the minimum obligation of the municipality with respect to the trust fund shall be determined in accordance with sections 69.77, 356.215 and 356.216 until the unfunded accrued liability of the trust fund is fully amortized in accordance with section 69.77, subdivision 2b. The municipality shall provide in its annual budget for at least the

aggregate amount of service pensions, disability benefits, survivorship benefits and refunds which are projected as payable for the following calendar year, as determined by the board of trustees of the trust fund, less the amount of assets in the trust fund as of the end of the most current calendar year for which figures are available, valued pursuant to section 356.20, subdivision 4, clause (1)(a), if the difference between those two figures is a positive number.

(5) In calculating the amount of service pensions and other retirement benefits payable from the local relief association and in calculating the amount of any automatic post retirement increases in those service pensions and retirement benefits based on the salary paid or payable to active members or escalated in any fashion, the salary for use as the base for the service pension or retirement benefit calculation and the post retirement increase calculation for the local relief association shall be the salary for the applicable position as specified in the articles of incorporation or bylaws of the relief association as of the date immediately prior to the effective date of the modification of retirement coverage for newly hired personnel pursuant to subdivision 1, as the applicable salary is reset by the municipality periodically, irrespective of whether retirement coverage for persons holding the applicable position used in calculations is provided by the relief association or by the public employees police and fire fund.

(6) If the modification of retirement coverage implemented pursuant to subdivision 1 is applicable to a local police relief association, the police state aid received by the municipality shall be disbursed pursuant to section 69.031, subdivision 5, clause (2)(c). If the modification of retirement coverage implemented pursuant to subdivision 1 is applicable to a local firefighters' relief association, the fire state aid received by the applicable municipality other than a city of the first class with a population of more than 300,000 shall be disbursed as the municipality at its option may elect. The municipality may elect: (a) to transmit the total fire state aid to the treasurer of the local relief association for immediate deposit in the special fund of the relief association; or (b) to apply the total fire state aid toward the employer contribution of the municipality to the public employees police and fire fund pursuant to section 353.65, subdivision 3; or (c) to allocate the total fire state aid proportionately between the special fund of the local relief association and employer contribution of the municipality to the public employees police and fire fund on the basis of the respective number of active full time salaried firefighters receiving retirement coverage from each.

For a city of the first class with a population of more than 300,000, in addition, the city may elect to allot the appropriate portion of the total fire state aid to apply toward the employer contribution of the city to the public employees police and fire fund based on the covered salary of firefighters covered by the fund each payroll period and to transmit the balance to the firefighters relief association."

Page 212, after line 28, insert:

“Sec. 250. [DISPOSITION OF ASSETS UPON CONCLUSION OF BENEFIT PAYMENTS.]

Upon the death of the last benefit recipient and the certification by the chief administrative officer of a city of the first class with a population of more than 300,000 to the state auditor of the absence of any remaining person with a benefit entitlement, the assets of the relief association or trust fund, whichever applies, must revert to the city and may be used by the city only for law enforcement or firefighting expenditure purposes, whichever applies.

Sec. 251. [INVESTMENT RELATED POSTRETIREMENT ADJUSTMENTS.]

Subdivision 1. [DEFINITIONS.] For the purposes of this section, each of the terms in this subdivision have the meanings given them in paragraphs (a) to (h).

(a) “Annual postretirement payment” means the payment of a lump sum postretirement benefit to an eligible member on June 1 following the determination date in any year.

(b) “City” means a city of the first class with a population of more than 300,000.

(c) “Determination date” means December 31 of each year.

(d) “Eligible member” means a person, including a service pensioner, a disability pensioner, a survivor, or dependent of a deceased active member, service pensioner, or disability pensioner, who received a pension or benefit during the 12 months before the determination date. A person who received a pension or benefit for the entire 12 months before the determination date are eligible for a full annual postretirement payment. A person who received a pension or benefit for less than 12 months before the determination date is eligible for a prorated annual postretirement payment.

(e) “Excess investment income” means the amount by which the time weighted total rate of return earned by the fund in the most recent fiscal year has exceeded the actual percentage increase in the current monthly salary of a top grade patrol officer or top grade firefighter, whichever applies, in the most recent fiscal year plus two percent. The excess investment income must be expressed as a dollar amount and may not exceed one-half of one percent of the total assets of the fund and does not exist unless the yearly average percentage increase of the time weighted total rate of return of the fund for the previous five years exceeds by two percent the yearly average percentage increase in monthly salary of a top grade patrol

officer or top grade firefighter, whichever applies, during the previous five calendar years.

(f) "Fund" means a police relief association or firefighters relief association, whichever applies, located in and maintained by the city and governed by Minnesota Statutes, section 69.77.

(g) "Relief association" means the police relief association or the firefighters relief association, whichever applies, located in and maintained by the city.

(h) "Time weighted total rate of return" means the percentage amount determined by using the formula or formulas established by the state board of investment under Minnesota Statutes, section 11A.04, clause (11), and in effect on January 1, 1987.

Subd. 2. [ANNUAL POSTRETIREMENT PAYMENT AUTHORIZED.] Notwithstanding the provisions of Minnesota Statutes, chapter 69, or any other law to the contrary, the relief association may provide annual postretirement payments to eligible members under this section.

Subd. 3. [DETERMINATION OF EXCESS INVESTMENT INCOME.] The board of trustees of the relief association shall determine by May 1 of each year whether or not the relief association has excess investment income. The amount of excess investment income, if any, must be stated as a dollar amount and reported by the chief administrative officer of the relief association to the mayor and governing body of the city, the state auditor, the commissioner of finance, and the executive director of the legislative commission on pensions and retirement. The dollar amount of excess investment income up to one-half of one percent of the assets of the fund must be applied for the purpose specified in subdivision 4. Excess investment income must not be considered as income to or assets of the fund for actuarial valuations of the fund for that year under sections 69.77, 356.215, and 356.216 and the provisions of this section except to offset the annual postretirement payment. Additional investment income is any realized or recognized unrealized investment income other than the excess investment income and must be included in the actuarial valuations performed under sections 69.77, 356.215, and 356.216 and the provisions of this section.

Subd. 4. [AMOUNT OF ANNUAL POSTRETIREMENT PAYMENT.] The amount determined under subdivision 3 must be applied in accordance with this subdivision. The relief association shall pay an annual postretirement payment to all eligible members in an amount not to exceed one-half of one percent of the assets of the fund. Payment of the annual postretirement payment must be in a lump sum amount on June 1 following the determination date in any year. Payment of the annual postretirement payment may be made only if the time weighted total rate of return exceeds by two

percent the actual percentage increase in the current monthly salary of a top grade patrol officer or a top grade firefighter, whichever applies, in the most recent fiscal year and the yearly average percentage increase of the time weighted total rate of return of the fund for the previous five years exceeds by two percent the yearly average percentage increase in monthly salary of a top grade patrol officer or a top grade firefighter, whichever applies, of the previous five years. The total amount of all payments to members may not exceed the amount determined under subdivision 3. Payment to each eligible member must be calculated by dividing the total number of pension units to which eligible members are entitled into the excess investment income available for distribution to members, and then multiplying that result by the number of units to which each eligible member is entitled to determine each eligible member's annual postretirement payment. Payment to each eligible member may not exceed an amount equal to the total monthly benefit that the eligible member was entitled to in the prior year under the terms of the benefit plan of the relief association or each eligible member's proportionate share of the excess investment income, whichever is less.

Subd. 5. [ANNUAL POSTRETIREMENT PAYMENT IN THE EVENT OF DEATH.] In the event an eligible member dies after the determination date and before the payment of the annual postretirement payment, the chief administrative officer of the relief association shall pay that eligible member's estate the amount to which the eligible member was entitled.

Subd. 6. [REPORT ON ANNUAL POSTRETIREMENT PAYMENT.] The chief administrative officer of the relief association shall submit a report on the amount of all postretirement payments made under this section and the manner in which those payments were determined to the state auditor, the executive director of the legislative commission on pensions and retirement, and the city clerk of the city.

Subd. 7. [NO GUARANTEE OF ANNUAL POSTRETIREMENT PAYMENT.] No provision of or payment made under this section may be interpreted or relied upon by any member of the relief association to guarantee or entitle a member to annual postretirement payments for a period when no excess investment income is earned by the fund."

Page 214, after line 18, insert:

"Sec. 255. [EFFECTIVE DATE.]

Sections 64, 65, 217, 250, and 251 are effective on the day following final enactment and apply to 1988 investment performance, actuarial valuations covering the calendar year ending December 31, 1988, and the annual financial requirements and

minimum municipal obligation based on the 1988 actuarial valuations.”

Renumber the sections in sequence

Correct internal references

Amend the title accordingly

The motion prevailed and the amendment was adopted.

Seaberg moved to amend H. F. No. 372, the first engrossment, as amended, as follows:

Page 102, lines 16 to 18, reinstate the stricken language and delete the new language

Page 102, lines 24 and 25, delete the new language

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

Henry, Limmer, Richter, Lynch and Tjornhom moved to amend H. F. No. 372, the first engrossment, as amended, as follows:

Page 4, line 8, delete “\$45,538,400” and insert “\$43,261,480”

Page 4, line 8, delete “\$45,253,700” and insert “\$42,991,015”

Page 4, after line 9, insert:

“The general fund appropriations under this section for specific activities and functions of the legislature, including the appropriations for the senate, house of representatives, legislative coordinating commission and legislative audit commission, are reduced by five percent.”

Adjust the totals accordingly

A roll call was requested and properly seconded.

The question was taken on the Henry et al amendment and the roll was called. There were 46 yeas and 84 nays as follows:

Those who voted in the affirmative were:

Blatz	Gutknecht	McPherson	Redalen	Tjornhom
Boo	Haukoos	Miller	Richter	Tompkins
Burger	Henry	Morrison	Runbeck	Uphus
Dempsey	Himle	Nelson, C.	Schafer	Valento
Dille	Johnson, A.	Olsen, S.	Schreiber	Waltman
Forsythe	Limmer	Omann	Seaberg	Weaver
Frederick	Lynch	Onnen	Stanius	
Frerichs	Macklin	Pauly	Steensma	
Girard	Marsh	Pellow	Sviggum	
Gruenes	McDonald	Poppenhagen	Swenson	

Those who voted in the negative were:

Abrams	Dorn	Kinkel	Orenstein	Scheid
Anderson, G.	Greenfield	Knickerbocker	Osthoff	Segal
Anderson, R.	Hartle	Kostohryz	Ostrom	Simoneau
Battaglia	Hasskamp	Krueger	Otis	Skoglund
Bauerly	Heap	Lasley	Ozment	Solberg
Beard	Hugoson	Lieder	Pappas	Sparby
Begich	Jacobs	Long	Pelowski	Trimble
Bennett	Janezich	McEachern	Peterson	Tunheim
Bertram	Jaros	McGuire	Price	Vellenga
Bishop	Jefferson	McLaughlin	Pugh	Wagenius
Carlson, D.	Jennings	Milbert	Quinn	Welle
Carlson, L.	Johnson, R.	Munger	Reding	Wenzel
Carruthers	Johnson, V.	Murphy	Rest	Williams
Clark	Kahn	Nelson, K.	Rice	Winter
Conway	Kalis	O'Connor	Rodosovich	Wynia
Cooper	Kelly	Ogren	Rukavina	Spk. Vanasek
Dawkins	Kelso	Olson, K.	Sarna	

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

Segal, Skoglund, Greenfield and Ozment moved to amend H. F. No. 372, the first engrossment, as amended, as follows:

Page 94, line 2, delete the first comma and insert "and" and delete the second comma

Page 94, line 3, delete "and inclined stairway chair lifts"

Page 94, line 3, after "in" insert "existing"

Page 94, line 4, delete everything after "lift"

Page 94, line 5, delete "lift"

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

Nelson, K.; Bauerly and Hartle moved to amend H. F. No. 372, the first engrossment, as amended, as follows:

Page 213, line 19, delete "3.865; 3.866;"

Amend the title accordingly

The motion prevailed and the amendment was adopted.

Rodosovich moved to amend H. F. No. 372, the first engrossment, as amended, as follows:

Page 98, line 16, delete "Chapters 3 and" and insert "chapter" and after the period insert:

"No later than July 1, 1990, the plan established under this paragraph shall be adopted under the rulemaking provisions of chapter 14."

The motion prevailed and the amendment was adopted.

Wynia moved to amend H. F. No. 372, the first engrossment, as amended, as follows:

Page 210, delete section 241.

Renumber the sections in sequence

Correct internal references accordingly.

The motion prevailed and the amendment was adopted.

Krueger and Carlson, L., moved to amend H. F. No. 372, the first engrossment, as amended, as follows:

Page 91, line 27, delete "and higher education"

Page 91, line 28, delete "institutions"

Page 91, line 29, after the period insert "The rules may require the participation of the governing boards of the state universities, the community colleges, and the technical institutes, and may request the participation of the board of regents of the University of Minnesota, in the planning of the program."

The motion prevailed and the amendment was adopted.

Burger moved to amend H. F. No. 372, the first engrossment, as amended, as follows:

Page 331, after line 11, insert:

"ARTICLE 6

Section 1. [REDUCTIONS.]

Subdivision 1. Each item of appropriation in the preceding sections of this act, except those dedicated to the purpose of the appropriation by the Minnesota Constitution or federal law, is reduced by eight percent.

Subd. 2. The amount of money by which appropriations are reduced pursuant to subdivision 1 is appropriated in part as provided in this subdivision.

(a) One-eighth is appropriated to the commissioner of education to be disbursed to improve the quality of education in grades kindergarten through 12.

(b) One-eighth is appropriated to the higher education coordinating board to be disbursed to improve the quality of post-secondary education.

(c) One-eighth is appropriated to a special account in the general fund to be appropriated by other law in 1990 to provide property tax relief to commercial and industrial property.

Each disbursement under paragraphs (a) and (b) must be referred to the legislative advisory commission for its recommendation. Its recommendation is advisory only. Failure or refusal of the commission to make a recommendation promptly is a negative recommendation."

A roll call was requested and properly seconded.

The question was taken on the Burger amendment and the roll was called. There were 51 yeas and 78 nays as follows:

Those who voted in the affirmative were:

Bennett	Girard	Lynch	Onnen	Stanius
Blatz	Gruenes	Macklin	Ozment	Steensma
Boo	Gutknecht	Marsh	Pauly	Svigum
Brown	Hartle	McDonald	Pellow	Swenson
Burger	Hasskamp	McPherson	Poppenhagen	Tjornhom
Dempsey	Haukoos	Milbert	Redalen	Tompkins
Dille	Heap	Miller	Richter	Uphus
Porsythe	Henry	Morrison	Schafer	Valento
Frederick	Hugoson	Nelson, C.	Schreiber	Waltman
Frerichs	Limmer	Omann	Seaberg	Weaver
				Winter

Those who voted in the negative were:

Abrams	Dawkins	Kostohryz	Ostrom	Segal
Anderson, G.	Dorn	Krueger	Otis	Simoneau
Anderson, R.	Greenfield	Lasley	Pappas	Skoglund
Battaglia	Jacobs	Lieder	Pelowski	Solberg
Bauerly	Janezich	Long	Peterson	Sparby
Beard	Jaros	McEachern	Price	Trimble
Begich	Jefferson	McGuire	Pugh	Tunheim
Bertram	Jennings	Munger	Quinn	Vellenga
Bishop	Johnson, A.	Murphy	Reding	Wagenius
Carlson, D.	Johnson, R.	Nelson, K.	Rest	Welle
Carlson, L.	Kahn	O'Connor	Rice	Wenzel
Carruthers	Kalis	Ogren	Rodosovich	Williams
Clark	Kelly	Olsen, S.	Rukavina	Wynia
Conway	Kelso	Olson, K.	Runbeck	Spk. Vanasek
Cooper	Kinkel	Orenstein	Sarna	
Dauner	Knickerbocker	Osthoff	Scheid	

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

Kelly, Orenstein, Swenson, Seaberg, Kostohryz and Begich moved to amend H. F. No. 372, the first engrossment, as amended, as follows:

Page 203, lines 16 and 17, delete the new language

Page 247, lines 8 and 9, delete the new language

The motion prevailed and the amendment was adopted.

Osthoff moved to amend H. F. No. 372, the first engrossment, as amended, as follows:

Page 216, line 16, delete "YEAR OF THE CITY" and insert "ECONOMIC DEVELOPMENT AND HOUSING"

The motion prevailed and the amendment was adopted.

Kostohryz, Vanasek and Olsen, S., moved to amend H. F. No. 372, the first engrossment, as amended, as follows:

Page 45, delete lines 43 to 53

A roll call was requested and properly seconded.

The question was taken on the Kostohryz et al amendment and the roll was called. There were 42 yeas and 87 nays as follows:

Those who voted in the affirmative were:

Anderson, R.	Begich	Boo	Carlson, L.	Hasskamp
Bauerly	Bennett	Burger	Dorn	Haukoos

Johnson, A.	Morrison	Pauly	Schreiber	Wagenius
Kalis	Munger	Pellow	Seaberg	Wenzel
Kelly	Nelson, K.	Pelowski	Skoglund	Wynia
Kinkel	Olsen, S.	Price	Stanius	Spk. Vanasek
Kostohryz	Omann	Reding	Swiggum	
McEachern	Ostrom	Rest	Tompkins	
Milbert	Otis	Sarna	Valento	

Those who voted in the negative were:

Abrams	Frichs	Kelso	Ogren	Scheid
Anderson, G.	Girard	Knickerbocker	Olson, K.	Segal
Battaglia	Greenfield	Krueger	Onnen	Simoneau
Beard	Gruenes	Lasley	Orenstein	Solberg
Bertram	Gutknecht	Lieder	Osthoff	Sparby
Bishop	Hartle	Limmer	Ozment	Steensma
Blatz	Heap	Long	Pappas	Swenson
Brown	Henry	Lynch	Peterson	Tunheim
Carlson, D.	Himle	Macklin	Poppenhagen	Uphus
Clark	Hugoson	Marsh	Pugh	Vellenga
Conway	Jacobs	McDonald	Quinn	Waltman
Cooper	Janezich	McGuire	Redalen	Weaver
Dauner	Jaros	McLaughlin	Rice	Welle
Dawkins	Jefferson	McPherson	Richter	Williams
Dempsey	Jennings	Miller	Rodosovich	Winter
Dille	Johnson, R.	Murphy	Rukavina	
Forsythe	Johnson, V.	Nelson, C.	Runbeck	
Frederick	Kahn	O'Connor	Schafer	

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

Ozment moved to amend H. F. No. 372, the first engrossment, as amended, as follows:

Page 94, line 6, after the period, insert:

"An inclined stairway wheelchair lift or inclined stairway chair lift must not interfere with exit width requirements under the state building code or the state fire code."

The motion prevailed and the amendment was adopted.

Miller moved to amend H. F. No. 372, the first engrossment, as amended, as follows:

Page 42, line 11, delete "\$21,278,000" and insert "\$21,273,000"

Page 42, delete lines 45 to 53

Adjust totals accordingly

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

Stanis moved to amend H. F. No. 372, the first engrossment, as amended, as follows:

Page 28, line 30, delete "\$2,887,000" and insert "\$7,887,000" and delete "\$1,663,000" and insert "\$6,663,000"

Page 30, line 65, delete "\$1,250,000" and insert "\$6,250,000 the first year and \$5,000,000 the second year"

Page 42, line 11, delete "\$21,278,000" and insert "\$16,278,000" and delete "\$17,758,000" and insert "\$12,758,000"

Page 42, delete lines 57 to 59

Adjust the totals accordingly

A roll call was requested and properly seconded.

The question was taken on the Stanis amendment and the roll was called. There were 59 yeas and 61 nays as follows:

Those who voted in the affirmative were:

Abrams	Girard	Limmer	Onnen	Stanis
Anderson, R.	Gruenes	Lynch	Ostrom	Steensma
Beard	Hartle	Macklin	Ozment	Sviggum
Bennett	Hasskamp	Marsh	Pauly	Swenson
Bertram	Haukoos	McDonald	Pellow	Tjornhom
Blatz	Heap	McEachern	Poppenhagen	Tompkins
Brown	Henry	McPherson	Redalen	Uphus
Burger	Himle	Miller	Reding	Valento
Conway	Hugoson	Morrison	Runbeck	Waltman
Dempsey	Jennings	Nelson, C.	Schafer	Weaver
Frederick	Johnson, V.	Olsen, S.	Schreiber	Winter
Frerichs	Knickerbocker	Omann	Seaberg	

Those who voted in the negative were:

Anderson, G.	Forsythe	Lieder	Pappas	Segal
Battaglia	Greenfield	Long	Pelowski	Simoneau
Bauerly	Janezich	McGuire	Peterson	Skoglund
Begich	Jaros	McLaughlin	Price	Solberg
Bishop	Jefferson	Murphy	Pugh	Sparby
Boo	Johnson, A.	Nelson, K.	Quinn	Trimble
Carlson, L.	Kahn	O'Connor	Rest	Tunheim
Carruthers	Kelly	Ogren	Rice	Vellenga
Clark	Kelso	Olson, K.	Rodosovich	Wagenius
Dauner	Kinkel	Orenstein	Rukavina	Welle
Dawkins	Krueger	Osthoff	Sarna	Williams
Dorn	Lasley	Otis	Scheid	Wynia
				Spk. Vanasek

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

Morrison and Sviggum moved to amend H. F. No. 372, the first engrossment, as amended, as follows:

Page 45, line 51, delete "1990-1991" and insert "1991-1992"

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

H. F. No. 372, A bill for an act relating to the organization and operation of state government; appropriating money for the general legislative, judicial, and administrative expenses of state government; providing for the transfer of certain money in the state treasury; fixing and limiting the amount of fees, penalties, and other costs to be collected in certain cases; creating, abolishing, modifying, and transferring agencies and functions; defining and amending terms; providing for settlement of claims; imposing certain duties, responsibilities, authority, and limitations on agencies and political subdivisions; consolidating certain funds and accounts and making conforming changes; changing the organization, operation, financing, and management of certain courts and related offices; amending Minnesota Statutes 1988, sections 3.099, subdivision 3; 3.732, subdivision 1; 6.48; 6.56; 6.58; 8.15; 8.31, subdivisions 2c and 3; 13.33; 14.07, subdivisions 1 and 2; 14.08; 14.26; 15.06, subdivision 1; 15.50, subdivision 2; 15A.081, subdivision 1; 16A.10, subdivision 1; 16A.123, by adding a subdivision; 16A.125, subdivision 5, and by adding a subdivision; 16A.133, subdivision 1; 16B.24, subdivision 6; 16B.42, subdivision 4; 16B.48, subdivision 2; 16B.61, subdivision 5; 16B.70; 41A.09, subdivision 1; 43A.02, subdivision 25; 43A.17, subdivision 1; 43A.24, subdivision 2; 44A.0311; 69.031, subdivision 5; 69.77, subdivision 2b; 84.0272; 82.0274, by adding a subdivision; 84.084; 84.83, subdivision 1; 84.922, subdivision 3; 84.927, subdivision 1; 84A.51, subdivision 2; 84A.55, subdivision 14; 85.055, subdivision 2; 85.22, subdivisions 1 and 2a; 85.43; 85A.01, subdivisions 1 and 5; 85A.02, subdivisions 2, 5, 5a, 5b, 12, 16, 17, 18; 85A.04, subdivisions 1 and 4; 89.035; 89.036; 89.21; 93.335, subdivision 4; 94.09, subdivision 2; 94.342, subdivision 3; 97A.055, by adding a subdivision; 97A.165; 97A.475, subdivisions 2, 3, 6, 7, 8, 11, 12, 13, 14, 15, 16, 17, 18, 19, 20, 21, 23, 24, 25, 26, 27, 28, 29, 29a, 30, 31, 32, 33, 34, 35, 36, 37, 38, 39, 40, 41, and 42; 97A.485, subdivisions 6 and 7; 97B.301, by adding a subdivision; 106A.661, subdivision 2; 112.73; 115.03, subdivision 1; 115A.14, subdivision 4; 115A.908, subdivision 2; 115B.17, subdivision 7; 115B.20, subdivisions 1, 4, and 6; 115B.22, subdivision 7; 115B.24, subdivision 10; 115B.25, subdivision 7; 115B.26; 115C.02, subdivision 6; 115C.08, subdivision 1; 116.41, subdivision 2; 116.65, subdivision 3; 116J.01; 116J.03, subdivision 2; 116J.58, subdivision 1; 116J.64, subdivision 6; 116J.68, subdivision 2; 116J.74, subdivision 5; 116J.873, subdivision 4; 116J.955, subdivisions 1 and 2; 116J.9673, subdivision 4; 116J.970; 116J.971, subdivisions 3, 6, 7, 8, and 9; 116J.982, subdivision 1; 116L.02; 116L.03, subdivisions 2 and 7; 116L.04, subdivision 1; 116N.01, subdivision 3; 116N.02, subdivision 6; 116N.08, subdivisions 4 and 8; 116O.02, and by adding a

subdivision; 1160.03, subdivisions 1, 2, 3, and by adding subdivisions; 1160.04, by adding a subdivision; 1160.05; 1160.06, subdivisions 1 and 5; 1160.08, subdivisions 2 and 7; 1160.12; 1160.13; 1160.14; 1160.15; 116P.08, subdivisions 1 and 2; 116P.13; 148B.17; 169.121, subdivision 5a; 169.126, subdivisions 4 and 4a; 169.686, subdivision 3; 176.135, subdivision 1; 190.07; 190.25, subdivisions 3; 192.51, subdivision 2; 214.06, subdivision 1; 256.482, subdivisions 3, 7, and by adding a subdivision; 260.193, subdivision 8; 270.069; 270.185, subdivision 1; 273.02, subdivisions 5 and 6; 275.51, subdivision 3f; 284.28, subdivisions 8, 9, and 10; 296.421, subdivision 8; 297.13, subdivision 1; 297.26; 297.32, subdivision 9; 297A.44, subdivision 1; 299D.03, subdivision 7; 302A.821, subdivisions 4 and 5; 307.08, subdivision 5; 336.9-302; 336.9-413; 349.213, subdivision 1; 352.01, subdivision 2b; 353.01, subdivision 2a; 356.215, subdivisions 1 and 4d; 357.021, subdivisions 1a, 2a, and 4; 357.08; 361.03, by adding a subdivision; 373.27, subdivision 3; 402.065; 403.11, subdivision 1; 423A.02, subdivisions 1 and 2; 462.396, subdivision 4; 462A.21, by adding a subdivision; 466.01, subdivision 6; 469.056, subdivision 4; 469.100, subdivision 6; 471.699; 473.13, subdivision 4; 473.375, subdivision 17; 473.435; subdivision 2; 473.543, subdivision 5; 473.843, subdivision 2; 473.844, subdivision 1; 473.845, subdivision 1; 473.877, subdivision 1; 480.01; 480.058; 480.09, subdivision 5; 480.241, subdivisions 1 and 2; 480.242; 481.01; 481.20; 484.54, subdivision 2; 484.545, subdivisions 2 and 3; 484.62; 484.64, subdivision 3; 484.65, subdivisions 3 and 7; 484.68, subdivision 5; 485.018, subdivisions 5 and 7; 486.05, subdivision 1; 486.055; 486.06; 487.08, subdivision 5; 487.31, subdivision 1; 488.14, subdivision 1; 488A.17, subdivision 2; 488A.31, subdivision 1; 488A.34, subdivision 2; 517.08, subdivision 1c; 525.033; 609.101; 609.5315, subdivision 5; 611.17; 611.21; 611.215, subdivision 2; 611.26, subdivision 2; 611A.61, subdivision 3; 626.861, subdivisions 3 and 4; Laws 1971, chapter 355, section 1, subdivision 2; Laws 1987, chapter 386, article 2, section 22; article 9, section 19; Laws 1988, chapter 686, article 1, section 37; article 2, section 10; proposing coding for new law in Minnesota Statutes, chapters 16A; 16B; 84; 93; 115A; 116J; 116K; 192; 290; 462A; 469; 473; 480; 611; and 631; proposing coding for new law as Minnesota Statutes, chapter 361A; repealing Minnesota Statutes 1988, sections 3C.035; 3C.056; 11A.22; 16A.133, subdivision 3; 41A.01; 41A.02; 41A.021; 41A.022; 41A.023; 41A.03; 41A.035; 41A.036; 41A.04; 41A.05; 41A.051; 41A.06; 41A.065; 41A.066; 41A.07; 41A.08; 43A.316; 84.0911, subdivisions 1 and 3; 85.051; 85A.01, subdivision 1b; 89.04; 93.221; 94.165; 97A.065, subdivision 3; 97A.071; 97A.075; 115A.162; 116E.01; 116E.02; 116E.03; 116E.035; 116E.04; 116J.941; 116J.942; 116J.968; 161.52; 190.26; 198.001, subdivision 5; 344.03; 383B.63, subdivisions 4 and 5; 469.121, subdivision 1; 469.148; 469.149; 480.242, subdivision 4; 480.245; 486.07; 487.31, subdivision 4; 488A.05; 488A.111; 488A.22; 488A.281; 525.012, subdivisions 1, 2, 3, and 4; 611.07; 611.071; 611.12; 611.214; and 611.25, subdivision 2; Laws 1975, chapter 258, section 6, subdivisions 1, 3, 4, and 5; Laws 1983, chapter 334, section 7, as amended; Laws 1984, chapter 564, section 48; and Laws 1988, chapter 686, article 1,

sections 14, paragraph (j); 21; 37, subdivision 10; and article 2, section 9.

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 77 yeas and 53 nays as follows:

Those who voted in the affirmative were:

Abrams	Dorn	Lasley	Pappas	Solberg
Anderson, G.	Greenfield	Lieder	Pelowski	Sparby
Anderson, R.	Jacobs	Long	Peterson	Steenasma
Battaglia	Janezich	McGuire	Price	Trimble
Beard	Jaros	McLaughlin	Pugh	Tunheim
Begich	Jefferson	Milbert	Quinn	Vellenga
Bertram	Johnson, A.	Murphy	Reding	Wagenius
Bishop	Johnson, R.	Nelson, C.	Rest	Welle
Brown	Johnson, V.	Nelson, K.	Rice	Wenzel
Carlson, D.	Kahn	O'Connor	Rodosovich	Williams
Carlson, L.	Kalis	Ogren	Rukavina	Winter
Carruthers	Kelly	Olson, K.	Sarna	Wynia
Clark	Kelso	Orenstein	Scheid	Spk. Vanasek
Cooper	Kinkel	Osthoff	Segal	
Dauner	Kostohryz	Ostrom	Simoneau	
Dawkins	Krueger	Otis	Skoglund	

Those who voted in the negative were:

Bauerly	Girard	Lynch	Onnen	Stanisus
Bennett	Gruenes	Macklin	Ozment	Sviggum
Blatz	Gutknecht	Marsh	Pauly	Swenson
Boo	Hartle	McDonald	Pellow	Tjornhem
Burger	Haukoos	McEachern	Poppenhagen	Tompkins
Conway	Heap	McPherson	Redalen	Uphus
Dempsey	Henry	Miller	Richter	Valento
Dille	Himle	Morrison	Runbeck	Waltman
Forsythe	Hugoson	Munger	Schafer	Weaver
Frederick	Knickerbocker	Olsen, S.	Schreiber	
Frerichs	Limmer	Omann	Seaberg	

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

Wynia moved that the House recess subject to the call of the Chair. The motion prevailed.

RECESS

RECONVENED

The House reconvened and was called to order by the Speaker.

CONSIDERATION UNDER RULE 1.10

Pursuant to rule 1.10, Anderson, G., requested immediate consideration of H. F. No. 654.

H. F. No. 654 was reported to the House.

Nelson, K.; McEachern; Bauerly; Steensma; Quinn; Vellenga; Abrams; Anderson, G.; Battaglia; Beard; Begich; Bertram; Bishop; Brown; Carlson, D.; Carlson, L.; Carruthers; Clark; Conway; Cooper; Dauner; Dawkins; Dorn; Greenfield; Hasskamp; Jacobs; Janezich; Jaros; Jefferson; Jennings; Johnson, A.; Johnson, R.; Kahn; Kalis; Kelly; Kelso; Kinkel; Kostohryz; Krueger; Lasley; Lieder; Long; McGuire; McLaughlin; Milbert; Munger; Murphy; Nelson, C.; O'Connor; Ogren; Olson, K.; Orenstein; Osthoff; Ostrom; Otis; Pappas; Pelowski; Peterson; Price; Pugh; Reding; Rest; Rice; Rodosovich; Rukavina; Sarna; Scheid; Segal; Simoneau; Skoglund; Solberg; Sparby; Trimble; Tunheim; Wagenius; Welle; Wenzel; Williams; Winter; Wynia; Vanasek and Neuenschwander moved to amend H. F. No. 654, the third engrossment, as follows:

Page 11, line 7, delete "\$2,838" and insert "\$2,850"

Page 12, line 26, delete "\$143" and insert "\$155"

Page 15, line 17, delete "\$1,211,251,000" and insert "\$1,219,735,000"

Page 15, line 18, delete "\$1,305,438,000" and insert "\$1,306,935,000"

Page 15, line 20, delete "\$1,036,427,000" and insert "\$1,044,911,000"

Page 15, line 21, delete "\$177,824,000" and insert "\$179,321,000"

A roll call was requested and properly seconded.

The question was taken on the Nelson, K., et al amendment and the roll was called. There were 133 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Abrams	Cooper	Hugoson	Limmer	Ogren
Anderson, G.	Dauner	Jacobs	Long	Olsen, S.
Anderson, R.	Dawkins	Janezich	Lynch	Olson, K.
Battaglia	Dempsey	Jaros	Macklin	Omann
Bauerly	Dille	Jefferson	Marsh	Onnen
Beard	Dorn	Jennings	McDonald	Orenstein
Begich	Forsythe	Johnson, A.	McEachern	Osthoff
Bennett	Frederick	Johnson, R.	McGuire	Ostrom
Bertram	Frerichs	Johnson, V.	McLaughlin	Otis
Bishop	Girard	Kahn	McPherson	Ozment
Blatz	Greenfield	Kalis	Milbert	Pappas
Boo	Gruenes	Kelly	Miller	Fauly
Brown	Gutknecht	Kelso	Morrison	Pellow
Burger	Hartle	Kinkel	Munger	Pelowski
Carlson, D.	Hasskamp	Knickerbocker	Murphy	Peterson
Carlson, L.	Haukoos	Kostohryz	Nelson, C.	Poppenhagen
Carruthers	Heap	Krueger	Nelson, K.	Price
Clark	Henry	Lasley	Neuenschwander	Pugh
Conway	Himle	Lieder	O'Connor	Quinn

Redalen	Sarna	Solberg	Trimble	Welle
Reding	Schafer	Sparby	Tunheim	Wenzel
Rest	Scheid	Stanius	Uphus	Williams
Rice	Schreiber	Steensma	Valento	Winter
Richter	Seaberg	Sviggum	Vellenga	Wynia
Rodosovich	Segal	Swenson	Wagenius	Spk. Vanasek
Rukavina	Simoneau	Tjornhom	Waltman	
Runbeck	Skoglund	Tompkins	Weaver	

The motion prevailed and the amendment was adopted.

Redalen moved to amend H. F. No. 654, the third engrossment, as amended, as follows:

Page 111, line 10, delete "for taxes payable in 1990,"

Page 111, line 11, after the period insert "This levy is authorized for taxes payable in 1990, 1991, or 1992. In no case may the sum of the levies exceed \$150,000."

The motion prevailed and the amendment was adopted.

Redalen moved to amend H. F. No. 654, the third engrossment, as amended, as follows:

Page 83, lines 20 and 21, delete "The levy is available for taxes payable in 1990 only." and insert "This levy is authorized for taxes payable in 1990, 1991, or 1992. In no case may the sum of the levies exceed \$100,000."

The motion prevailed and the amendment was adopted.

Lasley moved to amend H. F. No. 654, the third engrossment, as amended, as follows:

Page 7, line 11, after "equal to" insert "one-half of"

Page 15, after line 4, insert:

"Sec. 19. [124A.40] [EQUITY AID.]

Beginning in fiscal year 1991, equity aid for each district is equal to the greater of zero or the product of the district's pupil units for that school year times the difference of \$2,975 and the district's general education revenue per pupil unit. Equity aid is not available to a district subject to a fund balance reduction under section 124A.26."

Page 15, line 18, delete "\$1,305,438,000" and insert "\$1,314,238,000"

Page 15, line 22, delete "\$1,127,614,000" and insert "\$1,136,414,000"

Page 15, line 25, delete "\$17,681,000" and insert "\$8,881,000"

Page 15, line 26, delete "\$17,681,000" and insert "\$8,881,000"

Page 15, line 29, delete "\$20,801,000" and insert "\$10,400,000"

A roll call was requested and properly seconded.

The question was taken on the Lasley amendment and the roll was called. There were 35 yeas and 91 nays as follows:

Those who voted in the affirmative were:

Anderson, R.	Frerichs	Lasley	Omamm	Rodosovich
Beard	Girard	Lynch	Onnen.	Stanius
Bishop	Gutknecht	Macklin	Ostrom	Sviggum
Brown	Hasskamp	McDonald	Poppenhagen	Swenson
Dempsey	Hugoson	Miller	Price	Uphus
Dorn	Johnson, V.	Murphy	Redalen	Waltman
Frederick	Kelso	Nelson, C.	Richter	Weaver

Those who voted in the negative were:

Abrams	Greenfield	Krueger	Orenstein	Schreiber
Battaglia	Gruenes	Lieder	Osthoff	Seaberg
Bauerly	Hartle	Limmer	Otis	Segal
Begich	Haukoos	Long	Ozment	Simoneau
Bennett	Heap	Marsh	Pappas	Skoglund
Bertram	Henry	McEachern	Pauly	Solberg
Blatz	Himle	McGuire	Pellow	Steensma
Boo	Jacobs	McLaughlin	Pelowski	Tjornhom
Burger	Janezich	McPherson	Peterson	Tompkins
Carlson, L.	Jaros	Milbert	Pugh	Trimble
Carruthers	Jefferson	Morrison	Quinn	Tunheim
Clark	Jennings	Munger	Reding	Valento
Conway	Johnson, A.	Nelson, K.	Rest	Vellenga
Cooper	Kalis	Neuenschwander	Rukavina	Wagenius
Dauner	Kelly	O'Connor	Runbeck	Welle
Dawkins	Kinkel	Ogren	Sarna	Wenzel
Dille	Knickerbocker	Olsen, S.	Schafer	Winter
Forsythe	Kostohryz	Olson, K.	Scheid	Wynia
				Spk. Vanasek

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

Heap, Limmer, Lynch, Abrams, Schafer and Schreiber moved to amend H. F. No. 654, the third engrossment, as amended, as follows:

Page 11, line 7, delete "\$2,838" and insert "\$2,875"

Page 11, line 8, delete "\$2,945" and insert "\$3,000"

Page 12, line 26, delete "\$143" and insert "\$180" and delete "\$250" and insert "\$305"

Page 15, line 17, delete "\$1,211,251,000" and insert "\$1,237,551,000"

Page 15, line 18, delete "\$1,305,438,000" and insert "\$1,329,138,000"

Page 15, line 20, delete "\$1,036,427,000" and insert "\$1,062,727,000"

Page 15, line 21, delete "\$177,824,000" and insert "\$182,524,000"

Page 15, line 22, delete "\$1,127,614,000" and insert "\$1,146,614,000"

The question was taken on the Heap et al amendment and the roll was called. There were 54 yeas and 67 nays as follows:

Those who voted in the affirmative were:

Abrams	Gruenes	Macklin	Ozment	Stanius
Anderson, R.	Hasskamp	Marsh	Pauty	Steenasma
Bennett	Haukoos	McDonald	Pellow	Swigum
Blatz	Heap	McGuire	Poppenhagen	Swenson
Boo	Henry	McPherson	Price	Tjornhom
Carlson, D.	Himle	Milbert	Pugh	Tompkins
Dempsey	Hugoson	Morrison	Richter	Uphus
Forsythe	Johnson, V.	Olsen, S.	Runbeck	Valento
Frederick	Knickerbocker	Omann	Schafer	Waltman
Frerichs	Limmer	Oinen	Schreiber	Weaver
Girard	Lynch	Ostrom	Seaberg	

Those who voted in the negative were:

Anderson, G.	Dorn	Krueger	Pappas	Solberg
Battaglia	Greenfield	Lasley	Pelowski	Trimble
Bauerly	Jacobs	Lieder	Peterson	Tunheim
Beard	Janezich	McEachern	Quinn	Vellenga
Begich	Jaros	McLaughlin	Reding	Wagenius
Bertram	Jefferson	Murphy	Rest	Welle
Brown	Jennings	Nelson, C.	Rice	Wenzel
Burger	Johnson, A.	Nelson, K.	Rodosovich	Williams
Carlson, L.	Johnson, R.	Neuenschwander	Rukavina	Winter
Carruthers	Kalis	O'Connor	Sarna	Wynia
Clark	Kelly	Ogren	Scheid	Spk. Vanasek
Conway	Kelso	Orenstein	Segal	
Cooper	Kinkel	Osthoff	Simoneau	
Dauner	Kostohryz	Otis	Skoglund	

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

Schafer; Olsen, S., and McPherson moved to amend H. F. No. 654, the third engrossment, as amended, as follows:

Page 43, after line 5, insert:

“Sec. 9. [124.2741] [PROGRAM FOR THE GIFTED AND TALENTED.]

Subdivision 1. [CITATION.] This section may be cited as the “education for the gifted and talented act.”

Subd. 2. [AUTHORIZATION.] A program of state aid for gifted and talented students is established.

Subd. 3. [AID.] A district that establishes a program for gifted and talented students shall receive an aid amount equal to the greater of \$1,500 per district or \$55 per gifted and talented student. No more than five percent of the students enrolled in the district may be counted as gifted and talented for aid computations. No more than six percent of the gifted and talented aid received by a district may be spent for administrative purposes.

Subd. 4. [ACCOUNTS.] A district receiving gifted and talented aid must, in accordance with section 121.908, maintain separate revenue and expenditure accounts that accurately reflect any state money allocated to the district for the purpose of this section, and the money must be spent only for the program for gifted and talented students.”

Page 55, after line 24, insert:

“Subd. 15. [GIFTED AND TALENTED AID.]

For gifted and talented aid under section 9:

\$2,679,000 1990

\$2,679,000 1991”

Renumber the sections in sequence

Correct internal references

Amend the title accordingly

A roll call was requested and properly seconded.

The question was taken on the Schafer et al amendment and the roll was called. There were 64 yeas and 69 nays as follows:

Those who voted in the affirmative were:

Abrams	Frederick	Johnson, V.	Omann	Seaberg
Anderson, R.	Frerichs	Knickerbocker	Onnen	Sparby
Bennett	Girard	Kostohryz	Ostrom	Stanius
Bishop	Gruenes	Limmer	Ozment	Sviggum
Blatz	Gutknecht	Lynch	Pauly	Swenson
Boo	Hartle	Macklin	Pellow	Tjornhom
Burger	Hasskamp	Marsh	Poppenhagen	Tompkins
Carlson, D.	Haukoos	McDonald	Pugh	Uphus
Cooper	Heap	McGuire	Redalen	Valento
Dauner	Henry	McPherson	Richter	Waltman
Dempsey	Himle	Miller	Runbeck	Weaver
Dille	Hugoson	Morrison	Schafer	Winter
Forsythe	Johnson, A.	Olsen, S.	Schreiber	

Those who voted in the negative were:

Anderson, G.	Jacobs	Long	Otis	Simoneau
Battaglia	Janezich	McEachern	Pappas	Skoglund
Bauerly	Jaros	McLaughlin	Pelowski	Solberg
Beard	Jefferson	Milbert	Peterson	Steensma
Begich	Jennings	Munger	Price	Trimble
Bertram	Johnson, R.	Murphy	Quinn	Tunheim
Brown	Kahn	Nelson, C.	Reding	Vellenga
Carlson, L.	Kalis	Nelson, K.	Rest	Wagenius
Carruthers	Kelly	Neuenschwander	Rice	Welle
Clark	Kelso	O'Connor	Rodosovich	Wenzel
Conway	Kinkel	Ogren	Rukavina	Williams
Dawkins	Krueger	Olson, K.	Sarna	Wynia
Dorn	Lasley	Orenstein	Scheid	Spk. Vanasek
Greenfield	Lieder	Osthoff	Segal	

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

Weaver, Runbeck, Limmer, Lynch and Schreiber moved to amend H. F. No. 654, the third engrossment, as amended, as follows:

Page 15, after line 4, insert:

“Sec. 19. [REFERENDUM EQUALIZATION AID: 1989-1990 ONLY.]

Subdivision 1. [ELIGIBILITY.] A school district is eligible for equalization aid in fiscal year 1990 if the district had certified a referendum levy under section 124A.03 for taxes payable in 1989.

Subd. 2. [REVENUE.] Equalization revenue for each eligible district equals the product of the district's actual pupil units times the greater of

(1) zero, or

(2) \$310 times the difference of one minus the ratio of the district's adjusted gross tax capacity per pupil unit to the equalizing factor in effect for taxes payable in 1989.

Subd. 3. [LEVY.] A district's referendum equalization levy is equal to the lesser of the district's referendum levy, or 2.48 percent of adjusted gross tax capacity.

Subd. 4. [AID.] A district's equalization aid is the difference between the equalization revenue and the equalization levy. If a district's referendum levy tax rate is less than 2.48 percent of adjusted gross tax capacity, its equalization aid is multiplied by the ratio of its referendum tax rate to 2.48 percent. Equalization aid under this section is only available in fiscal year 1990."

Page 15, after line 24, insert:

"\$28,475,000 1990"

Page 15, line 25, delete "\$17,681,000" and insert "\$22,706,000"

Page 15, after line 25, insert:

"The 1990 appropriation includes \$0 for 1989 and \$28,475,000 for 1990."

Page 15, line 26, delete "0" and insert "\$5,025,000"

Page 15, line 28, delete "1991" and insert "1990"

Page 15, line 29, delete "\$20,801,000" and insert "\$33,500,000"

Correct internal cross references

Renumber subsequent sections

Amend the title accordingly

A roll call was requested and properly seconded.

The question was taken on the Weaver et al amendment and the roll was called. There were 65 yeas and 67 nays as follows:

Those who voted in the affirmative were:

Anderson, G.	Cooper	Hartle	Limmer	Olson, K.
Anderson, R.	Dauner	Hasskamp	Lynch	Omann
Beard	Dempsey	Haukoos	Macklin	Onnen
Bennett	Dille	Hugoson	Marsh	Ostrom
Bishop	Dorn	Jacobs	McDonald	Ozment
Boo	Frederick	Jennings	McPherson	Pellow
Brown	Frerichs	Johnson, A.	Milbert	Poppenhagen
Carlson, D.	Girard	Johnson, R.	Miller	Price
Carruthers	Gruenes	Johnson, V.	Nelson, C.	Quinn
Conway	Gutknecht	Kalis	Neuenschwander	Redalen

Rodosovich	Scheid	Steensma	Uphus	Williams
Runbeck	Schreiber	Swenson	Waltman	Winter
Schafer	Stanius	Tompkins	Weaver	Spk. Vanasek

Those who voted in the negative were:

Abrams	Himle	McEachern	Pauly	Sparby
Battaglia	Janezich	McGuire	Pelowski	Sviggum
Bauerly	Jaros	McLaughlin	Peterson	Tjornhom
Begich	Jefferson	Morrison	Pugh	Trimble
Bertram	Kahn	Munger	Reding	Tunheim
Blatz	Kelly	Murphy	Rest	Valento
Burger	Kelso	Nelson, K.	Rice	Vellenga
Carlson, L.	Kinkel	O'Connor	Rukavina	Wagenius
Clark	Knickerbocker	Ogren	Sarna	Welle
Dawkins	Kostohryz	Olsen, S.	Seaberg	Wenzel
Forsythe	Krueger	Orenstein	Segal	Wynia
Greenfield	Lasley	Osthoff	Simoneau	
Heap	Lieder	Otis	Skoglund	
Henry	Long	Pappas	Solberg	

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

The Speaker called Quinn to the Chair.

Olsen, S.; Frederick; Knickerbocker; Blatz; Lynch; McDonald; Pellow; Burger; Morrison; Bennett; Abrams; Henry; Forsythe; Tompkins; Frerichs; Pauly; Limmer; Tjornhom and Stanius moved to amend H. F. No. 654, the third engrossment, as amended, as follows:

Page 10, after line 36, insert:

"Sec. 13. Minnesota Statutes 1988, section 124A.22, subdivision 1, is amended to read:

Subdivision 1. [GENERAL EDUCATION REVENUE.] The general education revenue for each district equals the sum of the district's basic revenue, compensatory education revenue, training and experience revenue, sparsity revenue, cost of living differential revenue, and supplemental revenue."

Page 15, after line 4, insert:

"Sec. 20. [124A.32] [COST OF LIVING DIFFERENTIAL REVENUE.]

Subdivision 1. [COST OF LIVING INDEX DEFINED.] In this section, a district's cost of living index means the greater of one or the ratio of the overall cost of living index for the county where the district's central administrative offices are located to .90. For fiscal years 1990 and 1991, the overall cost of living index was published in January 1989, by the office of the legislative auditor in "Statewide Cost of Living Differences."

By January of each odd-numbered year, the legislative auditor shall publish its overall cost of living index for each county and the average overall statewide index. The shelter components of the index must be updated for each publication and the nonshelter components must be updated for every other publication.

Subd. 2. [COST OF LIVING DIFFERENTIAL REVENUE.] For any fiscal year, a district's cost of living differential revenue results from the computations in this subdivision.

(a) Multiply the formula allowance for the year times the district's cost of living index for the year.

(b) Subtract the formula allowance for the year from the product in paragraph (a).

(c) Divide the difference, if any, in paragraph (b) by two.

(d) Multiply the result, if any, in paragraph (c), times the actual pupil units of the district for the year."

Page 15, line 18, delete "\$1,305,438,000" and insert "\$1,368,842,000"

Page 15, line 22, delete "\$1,127,614,000" and insert "\$1,191,024,000"

Renumber the subsequent sections

Amend the title accordingly

A roll call was requested and properly seconded.

The question was taken on the Olsen, S., et al amendment and the roll was called. There were 39 yeas and 87 nays as follows:

Those who voted in the affirmative were:

Abrams	Frederick	Limmer	Pauly	Segal
Anderson, R.	Heap	Lynch	Pellow	Stanius
Bennett	Henry	Macklin	Poppenhagen	Swenson
Blatz	Himle	McGuire	Pugh	Tjornhom
Burger	Johnson, A.	McPherson	Rest	Uphus
Carlson, L.	Kelso	Milbert	Scheid	Valento
Dempsey	Knickerbocker	Morrison	Schreiber	Wenzel
Forsythe	Kostohryz	Olsen, S.	Seaberg	

Those who voted in the negative were:

Anderson, G.	Bauerly	Begich	Boo	Carlson, D.
Battaglia	Beard	Bertram	Brown	Clark

Conway	Jefferson	Murphy	Price	Sviggum
Cooper	Jennings	Nelson, K.	Quinn	Tompkins
Dauner	Johnson, R.	Neuenschwander	Redalen	Trimble
Dawkins	Johnson, V.	O'Connor	Reding	Tunheim
Dille	Kahn	Ogren	Rice	Vellenga
Dorn	Kalis	Olson, K.	Richter	Wagenius
Frerichs	Kelly	Omamm	Rodosovich	Waltman
Girard	Kinkel	Onnen	Rukavina	Weaver
Greenfield	Krueger	Orenstein	Runbeck	Welle
Gruenes	Lasley	Osthoff	Sarna	Williams
Hartle	Lieder	Ostrom	Schafer	Winter
Hasskamp	Long	Otis	Simoneau	Wynia
Haukoos	Marsh	Ozment	Skoglund	Spk. Vanasek
Hugoson	McEachern	Pappas	Solberg	
Jacobs	McLaughlin	Pelowski	Sparby	
Jaros	Munger	Peterson	Steensma	

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

Olsen, S.; Blatz; Runbeck; McDonald; Lynch; Frederick; Waltman; Henry; Knickerbocker; Morrison; Forsythe; Abrams; Tompkins; Richter; Pellow; Frerichs; Bennett; Stanius; Limmer and Tjornhom moved to amend H. F. No. 654, the third engrossment, as amended, as follows:

Page 43, line 13, delete "60" and insert "70"

Page 43, line 14, delete "\$16,727" and insert "\$19,500"

Page 43, line 16, delete "60" and insert "70"

Page 43, line 17, delete "\$16,727" and insert "\$19,500"

Page 51, line 20, delete "\$160,331,000" and insert "\$182,436,000"

Page 51, line 21, delete "\$165,870,000" and insert "\$192,582,000"

Page 51, line 23, delete "\$137,257,000" and insert "\$159,362,000"

Page 51, line 24, delete "\$24,222,000" and insert "\$28,123,000"

Page 51, line 25, delete "\$141,648,000" and insert "\$164,459,000"

A roll call was requested and properly seconded.

The question was taken on the Olsen, S., et al amendment and the roll was called. There were 65 yeas and 67 nays as follows:

Those who voted in the affirmative were:

Abrams	Bennett	Bishop	Boo	Carlson, D.
Anderson, R.	Bertram	Blatz	Burger	Conway

Cooper	Heap	Macklin	Orenstein	Seaberg
Dauner	Henry	Marsh	Osthoff	Segal
Dempsey	Himle	McDonald	Ozment	Stanius
Forsythe	Hugoson	McGuire	Pauly	Sviggum
Frederick	Johnson, A.	McPherson	Pellow	Swenson
Frerichs	Johnson, V.	Milbert	Poppenhagen	Tjornhom
Girard	Kelso	Miller	Pugh	Tompkins
Gutknecht	Knickerbocker	Morrison	Richter	Valento
Hartle	Kostohryz	Olsen, S.	Runbeck	Waltman
Hasskamp	Limmer	Omann	Schafer	Weaver
Haukoos	Lynch	Onnen	Schreiber	Wenzel

Those who voted in the negative were:

Anderson, G.	Janezich	McLaughlin	Price	Steensma
Battaglia	Jaros	Munger	Quinn	Trimble
Bauerly	Jefferson	Murphy	Redalen	Tunheim
Beard	Jennings	Nelson, C.	Reding	Uphus
Begich	Johnson, R.	Nelson, K.	Rest	Vellenga
Brown	Kahn	Neuenschwander	Rice	Wagenius
Carlson, L.	Kalis	O'Connor	Rodosovich	Welle
Carruthers	Kelly	Ogren	Rukavina	Williams
Clark	Kinkel	Olson, K.	Sarna	Winter
Dawkins	Krueger	Ostrom	Scheid	Wynia
Dorn	Lasley	Otis	Simoneau	Spk. Vanasek
Greenfield	Lieder	Pappas	Skoglund	
Gruenes	Long	Pelowski	Solberg	
Jacobs	McEachern	Peterson	Sparby	

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

Sviggum, Schafer, Richter and Stanius moved to amend H. F. No. 654, the third engrossment, as amended, as follows:

Page 3, line 35, strike "of the" and delete "last"

Page 3, line 36, delete "even-numbered" and strike "year" and delete "in the last biennium" and insert ", 1987."

Page 14, after line 10, insert:

"Sec. 18. [124A.305] [EQUITY AID.]

Beginning in fiscal year 1991, equity aid for each district is equal to the greater of zero or the product of the district's pupil units for that school year times the difference of the statewide average general education revenue per pupil unit and the district's general education revenue per pupil unit.

Page 15, after line 22, insert "If the appropriation is insufficient to fully fund equity aid, equity aid must be prorated."

Renumber the sections in sequence

Correct internal references

Amend the title accordingly

A roll call was requested and properly seconded.

The question was taken on the Sviggum et al amendment and the roll was called. There were 49 yeas and 81 nays as follows:

Those who voted in the affirmative were:

Anderson, R.	Frerichs	Johnson, V.	Ozment	Stanius
Beard	Girard	Limmer	Pauly	Sviggum
Bennett	Gruenes	Lynch	Pellow	Swenson
Bertram	Gutknecht	Macklin	Price	Tjornhom
Blatz	Hartle	Marsh	Redalen	Tompkins
Dauner	Haukoos	McDonald	Richter	Uphus
Dempsey	Henry	McPherson	Runbeck	Valento
Dille	Himle	Miller	Schafer	Waltman
Forsythe	Hugoson	Omann	Schreiber	Weaver
Frederick	Jacobs	Onnen	Seaberg	

Those who voted in the negative were:

Abrams	Hasskamp	Lasley	Orenstein	Scheid
Anderson, G.	Heap	Lieder	Osthoff	Segal
Battaglia	Janezich	Long	Ostrom	Simoneau
Bauerly	Jaros	McEachern	Otis	Skoglund
Begich	Jefferson	McGuire	Pappas	Solberg
Bishop	Jennings	McLaughlin	Pelowski	Sparby
Boo	Johnson, A.	Milbert	Peterson	Steensma
Brown	Johnson, R.	Munger	Poppenhagen	Trimble
Carlson, L.	Kahn	Murphy	Pugh	Tunheim
Carruthers	Kalis	Nelson, C.	Quinn	Vellenga
Clark	Kelly	Nelson, K.	Reding	Wagenius
Conway	Kelso	Neuenschwander	Rest	Welle
Cooper	Kinkel	O'Connor	Rice	Wenzel
Dawkins	Knickerbocker	Ogren	Rodosovich	Williams
Dorn	Kostohryz	Olsen, S.	Rukavina	Winter
Greenfield	Krueger	Olson, K.	Sarna	Wynia
				Spk. Vanasek

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

McPherson; Olsen, S.; Runbeck; Omann; Waltman; Frederick; Burger; Seaberg; Schafer; Pellow; Haukoos; Knickerbocker; Stanius and Tjornhom moved to amend H. F. No. 654, the third engrossment, as amended, as follows:

Page 43, line 13, delete "60" and reinstate the stricken "66"

Page 43, line 14, delete "\$16,727" and insert "\$18,400"

Page 43, line 16, delete "60" and reinstate the stricken "66"

Page 43, line 17, delete "\$16,727" and insert "\$18,400"

Page 51, line 20, delete "\$160,331,000" and insert "\$173,631,000"

Page 51, line 21, delete "\$165,870,000" and insert "\$181,943,000"

Page 51, line 23, delete "\$137,257,000" and insert "\$150,557,000"

Page 51, line 24, delete "\$24,222,000" and insert "\$26,569,000"

Page 51, line 25, delete "\$141,648,000" and insert "\$155,374,000"

A roll call was requested and properly seconded.

The question was taken on the McPherson et al amendment and the roll was called. There were 64 yeas and 68 nays as follows:

Those who voted in the affirmative were:

Abrams	Frederick	Kelso	Morrison	Seaberg
Anderson, R.	Frerichs	Knickerbocker	Olsen, S.	Stanius
Bennett	Girard	Kostohryz	Olsen, K.	Sviggum
Blatz	Gruenes	Lasley	Omann	Swenson
Boo	Gutknecht	Limmer	Onnen	Tjornhom
Brown	Hasskamp	Lynch	Ozment	Tompkins
Burger	Haukoos	Macklin	Pauly	Uphus
Carlson, D.	Heap	Marsh	Pellow	Valento
Cooper	Henry	McDonald	Redalen	Waltman
Dauner	Himle	McGuire	Richter	Weaver
Dempsey	Hugoson	McPherson	Runbeck	Wenzel
Dille	Johnson, A.	Milbert	Schafer	Winter
Forsythe	Johnson, V.	Miller	Schreiber	

Those who voted in the negative were:

Anderson, G.	Hartle	McEachern	Pelowski	Skoglund
Battaglia	Jacobs	McLaughlin	Peterson	Solberg
Bauerly	Janezich	Munger	Price	Sparby
Beard	Jaros	Murphy	Pugh	Steensma
Begich	Jefferson	Nelson, C.	Quinn	Trimble
Bertram	Jennings	Nelson, K.	Reding	Tunheim
Bishop	Johnson, R.	Neuenschwander	Rest	Vellenga
Carlson, L.	Kahn	O'Connor	Rice	Wagenius
Carruthers	Kalis	Ogren	Rodosovich	Welle
Clark	Kelly	Orenstein	Rukavina	Williams
Conway	Kinkel	Osthoff	Sarna	Wynia
Dawkins	Krueger	Ostrom	Scheid	Spk. Vanasek
Dorn	Lieder	Otis	Segal	
Greenfield	Long	Pappas	Simoneau	

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

Schreiber moved to amend H. F. No. 654, the third engrossment, as amended, as follows:

Page 107, after line 25, insert:

"Sec. 10. [STATEWIDE STANDARDIZED TESTING.]

(a) \$835,000 in fiscal year 1990 and \$835,000 in fiscal year 1991 are appropriated from the general fund to the commissioner of education to develop and implement statewide achievement measurement in grades six and ten in the core curriculum areas of mathematics, science, social studies, and communication, and to analyze the tests and report the results.

(b) Of the amounts appropriated, \$365,000 each year is for test development, \$150,000 each year is for data collection, \$150,000 each year is for computer programming, \$50,000 each year is for scoring, \$50,000 each year is for analysis, and \$50,000 each year is for reporting.

(c) \$20,000 in fiscal year 1990 and \$60,000 in fiscal year 1991 are appropriated from the general fund to the commissioner of education to allow Minnesota to participate in the state-by-state achievement comparisons project (National Assessment of Educational Progress)."

A roll call was requested and properly seconded.

The question was taken on the Schreiber amendment and the roll was called. There were 37 yeas and 92 nays as follows:

Those who voted in the affirmative were:

Blatz	Gutknecht	Limmer	Poppenhagen	Tompkins
Boo	Haukoos	Macklin	Redalen	Uphus
Dempsey	Heap	Marsh	Richter	Valento
Dille	Henry	McDonald	Schafer	Waltman
Forsythe	Himle	McPherson	Schreiber	Weaver
Frederick	Kelso	Miller	Seaberg	
Frerichs	Kinkel	Osthoff	Sviggum	
Gruenes	Knickerbocker	Pauly	Tjornhom	

Those who voted in the negative were:

Abrams	Dauner	Kalis	Ogren	Rest
Anderson, G.	Dawkins	Kelly	Olsen, S.	Rice
Anderson, R.	Dorn	Kostohryz	Olson, K.	Rodosovich
Battaglia	Girard	Krueger	Omamm	Rukavina
Bauerly	Greenfield	Lasley	Onnen	Sarna
Beard	Hartle	Lieder	Orenstein	Scheid
Begich	Hasskamp	Lynch	Ostrom	Segal
Bennett	Hugoson	McEachern	Otis	Simoneau
Bertram	Jacobs	McGuire	Ozment	Skoglund
Brown	Janezich	McLaughlin	Pappas	Solberg
Burger	Jaros	Milbert	Pellow	Sparby
Carlson, D.	Jefferson	Morrison	Pelowski	Stanius
Carlson, L.	Jennings	Murphy	Peterson	Steensma
Carruthers	Johnson, A.	Nelson, C.	Price	Swenson
Clark	Johnson, R.	Nelson, K.	Pugh	Trimble
Conway	Johnson, V.	Neuenschwander	Quinn	Tunheim
Cooper	Kahn	O'Connor	Reding	Vellenga

Wagenius	Wenzel	Winter	Spk. Vanasek
Welle	Williams	Wynia	

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

McPherson; Blatz; Olsen, S.; Abrams; Seaberg; Knickerbocker; Fellow; Burger; Bennett and Tjornhom moved to amend H. F. No. 654, the third engrossment, as amended, as follows:

Page 11, line 16, after "\$700" insert "for fiscal year 1990 and \$1,000 thereafter,"

Page 15, line 18, delete "\$1,305,438,000" and insert "\$1,308,338,000"

Page 15, line 22, delete "\$1,127,614,000" and insert "\$1,130,514,000"

The question was taken on the McPherson et al amendment and the roll was called. There were 47 yeas and 78 nays as follows:

Those who voted in the affirmative were:

Abrams	Frederick	Johnson, V.	Olsen, S.	Simoneau
Anderson, R.	Frerichs	Kelso	Onnen	Sparby
Beard	Gruenes	Knickerbocker	Pauly	Stanius
Bennett	Gutknecht	Kostohryz	Pellow	Swenson
Blatz	Haukoos	Limmer	Price	Tjornhom
Boo	Heap	Marsh	Pugh	Uphus
Burger	Henry	McGuire	Rest	Valento
Carlson, D.	Himle	McPherson	Schafer	
Carlson, L.	Johnson, A.	Milbert	Seaberg	
Dille	Johnson, R.	Morrison	Segal	

Those who voted in the negative were:

Anderson, G.	Hasskamp	Macklin	Otis	Steensma
Battaglia	Hugoson	McEachern	Pappas	Sviggum
Bauerly	Jacobs	McLaughlin	Pelowski	Trimble
Begich	Janezich	Miller	Peterson	Tunheim
Bertram	Jaros	Munger	Poppenhagen	Vellenga
Brown	Jefferson	Murphy	Quinn	Wagenius
Carruthers	Jennings	Nelson, C.	Reding	Waltman
Clark	Kahn	Nelson, K.	Rice	Weaver
Conway	Kalis	Neuenschwander	Richter	Welle
Cooper	Kelly	O'Connor	Rodosovich	Wenzel
Dauner	Kinkel	Ogren	Rukavina	Williams
Dawkins	Krueger	Olson, K.	Runbeck	Winter
Dorn	Lasley	Omann	Sarna	Wynia
Girard	Lieder	Orenstein	Scheid	Spk. Vanasek
Greenfield	Long	Osthoff	Schreiber	
Hartle	Lynch	Ostrom	Solberg	

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

Olsen, S.; Blatz; Knickerbocker; Abrams; Forsythe; Pauly; Himle and Heap moved to amend H. F. No. 654, the third engrossment, as amended, as follows:

Page 13, after line 8, insert:

"Sec. 17. Minnesota Statutes 1988, section 124A.23, subdivision 3, is amended to read:

Subd. 3. [GENERAL EDUCATION LEVY; DISTRICTS OFF THE FORMULA.] If the amount of the general education levy for a district exceeds the district's general education revenue, excluding supplemental revenue, the amount of the general education levy shall be limited to the following:

(1) the district's general education revenue, excluding supplemental revenue; plus

(2) the amount of the aid reduction for the same school year according to section 124A.24; minus

(3) (2) payments made for the same school year according to section 124A.035, subdivision 4.

For purposes of statutory cross-reference, a levy made according to this subdivision shall be construed to be the levy made according to subdivision 2."

Page 16, line 1, after "124.217," insert "124A.24,"

Renumber sections in sequence

Correct internal cross references

Amend the title accordingly

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

Onnen; Blatz; Lynch; Olsen, S., and Morrison moved to amend H. F. No. 654, the third engrossment, as amended, as follows:

Page 20, line 33, delete "in"

Page 20, line 34, delete "fiscal year 1990 only"

Page 34, delete lines 23 to 26

Page 35, line 8, delete "\$95,811,000" and insert "\$100,811,000"

Page 35, line 12, delete "\$81,696,000" and insert "\$86,696,000"

A roll call was requested and properly seconded.

The question was taken on the Onnen et al amendment and the roll was called. There were 46 yeas and 81 nays as follows:

Those who voted in the affirmative were:

Abrams	Hasskamp	Marsh	Pauly	Tjornhom
Bennett	Haukoos	McDonald	Pellow	Tompkins
Blatz	Heap	McGuire	Popenhagen	Uphus
Boo	Henry	McPherson	Pugh	Valento
Burger	Himle	Miller	Richter	Weaver
Forsythe	Johnson, R.	Morrison	Runbeck	Williams
Frederick	Knickerbocker	Olsen, S.	Schreiber	
Gruenes	Limmer	Olsen, K.	Seaberg	
Gutknecht	Lynch	Onnen	Stanius	
Hartle	Macklin	Ozment	Swenson	

Those who voted in the negative were:

Anderson, G.	Dille	Kinkel	Omann	Schafer
Anderson, R.	Dorn	Kostohryz	Orenstein	Scheid
Battaglia	Girard	Krueger	Osthoff	Segal
Bauerly	Greenfield	Lasley	Ostrom	Simoneau
Beard	Hugoson	Lieder	Otis	Solberg
Begich	Jacobs	Long	Pappas	Sparby
Bertram	Janezich	McEachern	Pelowski	Steensma
Brown	Jaros	McLaughlin	Peterson	Trimble
Carlson, D.	Jefferson	Milbert	Price	Tunheim
Carlson, L.	Jennings	Munger	Quinn	Vellenga
Carruthers	Johnson, A.	Murphy	Reding	Wagenius
Clark	Johnson, V.	Nelson, C.	Rest	Waltman
Conway	Kahn	Nelson, K.	Rice	Welle
Cooper	Kalis	Neuenschwander	Rodosovich	Wenzel
Dauner	Kelly	O'Connor	Rukavina	Winter
Dawkins	Kelso	Ogren	Sarna	Wynia
				Spk. Vanasek

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

Olsen, S.; Knickerbocker; Forsythe; Pauly; Henry; Abrams; Bennett; Pellow and Tjornhom moved to amend H. F. No. 654, the third engrossment, as amended, as follows:

Page 7, delete lines 34 to 36

Page 8, delete lines 1 to 36

Page 9, delete lines 1 to 36

Page 10, delete lines 1 to 36

Page 11, after line 8, insert “\$145 of this amount is provided entirely through state aid under section 20.”

Page 13, line 5, delete “\$1,149,000,000” and insert “\$1,049,030,000”

Page 15, after line 10, insert:

“Sec. 20. [PROGRAM IMPROVEMENT AID.]

Program improvement aid is provided entirely through state aid payments. The state aid payment of \$145 is added to each district's general education aid.”

Page 15, line 18, delete “\$1,305,438,000” and insert “\$1,403,534,000”

Page 15, line 22, delete “\$1,127,614,000” and insert “\$1,230,456,000”

Renumber subsequent sections

Correct internal cross references

Amend the title accordingly

A roll call was requested and properly seconded.

The question was taken on the Olsen, S., et al amendment and the roll was called. There were 23 yeas and 105 nays as follows:

Those who voted in the affirmative were:

Abrams	Forsythe	Limmer	Pellow	Tompkins
Anderson, R.	Frederick	McPherson	Poppenhagen	Valento
Bennett	Heap	Morrison	Pugh	Waltman
Burger	Henry	Olsen, S.	Seaberg	
Dempsey	Knickerbocker	Pauly	Tjornholm	

Those who voted in the negative were:

Anderson, G.	Clark	Hasskamp	Kahn	Marsh
Battaglia	Conway	Haukoos	Kalis	McEachern
Bauerly	Cooper	Himle	Kelly	McGuire
Beard	Dauner	Hugoson	Kelso	McLaughlin
Bertram	Dawkins	Jacobs	Kinkel	Munger
Bishop	Dille	Janezich	Kostohryz	Murphy
Blatz	Dorn	Jaros	Krueger	Nelson, C.
Boo	Frerichs	Jefferson	Lasley	Nelson, K.
Brown	Girard	Jennings	Lieder	Neuenschwander
Carlson, D.	Greenfield	Johnson, A.	Long	O'Connor
Carlson, L.	Gruenes	Johnson, R.	Lynch	Ogren
Carruthers	Hartle	Johnson, V.	Macklin	Olsen, K.

Omann	Peterson	Rukavina	Solberg	Vellenga
Onnen	Price	Runbeck	Sparby	Wagenius
Orenstein	Quinn	Sarna	Stanius	Weaver
Osthoff	Redalen	Schafer	Steensma	Welle
Ostrom	Reding	Scheid	Sviggum	Wenzel
Otis	Rest	Schreiber	Swenson	Williams
Ozment	Rice	Segal	Trimble	Winter
Pappas	Richter	Simoneau	Tunheim	Wynia
Pelowski	Rodosovich	Skoglund	Uphus	Spk. Vanasek

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

The Speaker resumed the Chair.

H. F. No. 654, A bill for an act relating to education; providing for general education revenue, transportation, special programs, community education, school facilities and equipment, education organization and cooperation, access to education excellence, school breakfast programs, sexual harassment and violence policies, parental involvement programs, libraries, state education agencies and education agency services, providing for limits on open enrollment and post-secondary options; appropriating money; amending Minnesota Statutes 1988, sections 43A.08, subdivision 1a; 120.06, by adding a subdivision; 120.062, subdivisions 4, 6, and by adding a subdivision; 120.17, subdivisions 3, 3b, and by adding a subdivision; 121.88, subdivisions 2 and 5; 121.882, subdivisions 2 and 4; 121.904, subdivision 4a; 121.908, subdivision 5; 121.912, subdivision 1; 121.935, subdivision 6; 122.23, by adding a subdivision; 122.43, subdivision 1; 122.532, subdivision 4; 122.541, subdivision 5; 122.91; 122.92; 122.93, subdivision 2, and by adding subdivisions; 122.94, subdivision 1, and by adding a subdivision; 122.95, subdivision 2, and by adding a subdivision; 123.3514, subdivisions 2, 4, 4c, 5, 7, and 10; 123.39, by adding a subdivision; 123.58, subdivision 9, and by adding a subdivision; 123.702, subdivisions 1, 1a, 2, 3, 4, and by adding subdivisions; 123.703, by adding subdivisions; 123.705, subdivision 1, and by adding a subdivision; 124.17, subdivision 1b; 124.19, subdivision 5; 124.195, subdivision 8; 124.2131, subdivision 1; 124.223; 124.225; 124.243, subdivision 3, and by adding a subdivision; 124.244, subdivision 2; 124.245, subdivision 3b; 124.26, subdivisions 1c, 7, and by adding a subdivision; 124.261; 124.271, by adding subdivisions; 124.2711, subdivisions 1, 3, 4, and by adding a subdivision; 124.2721; 124.273, subdivisions 1b, 4, 5, 7, and by adding a subdivision; 124.32, subdivisions 1b, 1d, and by adding a subdivision; 124.38, subdivision 7; 124.43, subdivision 1, and by adding a subdivision; 124.494, subdivision 2; 124.573, subdivision 2b, and by adding subdivisions; 124.574, subdivisions 1, 4, and 5; 124.575, subdivision 3; 124.82, subdivision 3; 124.83, subdivisions 3, 4, and 6; 124A.02, by adding a subdivision; 124A.03, subdivision 2; 124A.035, subdivisions 2 and 4; 124A.036, by adding a subdivision; 124A.22, subdivisions 2, 4, and 9; 124A.23, subdivision 1; 124A.28, subdivision 1; 124A.31; 126.151, subdivision 2; 126.23; 126.56, subdivision 4, and by adding a subdivision; 126.67, subdivision 8;

128A.09; 129.121, by adding a subdivision; 129C.10; 134.33, subdivision 1; 134.34, subdivisions 1, 2, 3, and 4; 134.35, subdivision 5; 136D.27, subdivision 1; 136D.74, subdivision 2; 136D.87, subdivision 1; 141.35; 273.1102, subdivision 3; 275.011, subdivision 1; 275.125, subdivisions 5, 5b, 5c, 5e, 6e, 6h, 6i, 8, 8b, 8c, 8e, 9, 9a, 9b, 9c, 11d, 14a, and by adding a subdivision; 354.094, subdivisions 1 and 2; 354.66, subdivision 4; 354A.091, subdivisions 1 and 2; 354A.094, subdivision 4; and 363.06, subdivision 3; Laws 1965, chapter 705, as amended; Laws 1976, chapter 20, section 4; Laws 1988, chapter 718, article 7, section 61, subdivisions 1, 2, and 3; chapter 719, article 5, section 84; proposing coding for new law in Minnesota Statutes, chapters 122; 124; 124A; 126; 127; 275; and 363; repealing Minnesota Statutes 1988, sections 120.062, subdivision 8; 123.702, subdivisions 1a, 5, 6, and 7; 124.217; 124.243, subdivision 4; 124.271, subdivision 26; 129B.11; 129B.48; 134.33, subdivision 1; 134.34, subdivision 5; and 275.125, subdivision 6f; Laws 1988, chapter 718, article 5, section 4.

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

The question was taken on the passage of the bill and the roll was called. There were 125 yeas and 8 nays as follows:

Those who voted in the affirmative were:

Anderson, G.	Frederick	Lasley	Orenstein	Segal
Anderson, R.	Girard	Lieder	Osthoff	Simoneau
Battaglia	Greenfield	Limmer	Ostrom	Skoglund
Bauerly	Gruenes	Long	Otis	Solberg
Beard	Gutknecht	Lynch	Ozment	Sparby
Begich	Hartle	Macklin	Pappas	Stanius
Bennett	Hasskamp	Marsh	Pellow	Steensma
Bertram	Henry	McDonald	Pelowski	Sviggum
Bishop	Himle	McEachern	Peterson	Swenson
Blatz	Hugoson	McGuire	Poppenhagen	Tjornhom
Boo	Jacobs	McLaughlin	Price	Tompkins
Brown	Janezich	McPherson	Pugh	Trimble
Burger	Jaros	Milbert	Quinn	Tunheim
Carlson, D.	Jefferson	Miller	Redalen	Uphus
Carlson, L.	Jennings	Morrison	Reding	Valento
Carruthers	Johnson, A.	Munger	Rest	Vellenga
Clark	Johnson, R.	Murphy	Rice	Wagenius
Conway	Johnson, V.	Nelson, C.	Rodosovich	Waltman
Cooper	Kahn	Nelson, K.	Rukavina	Weaver
Dauner	Kalis	Neuenschwander	Runbeck	Welle
Dawkins	Kelly	O'Connor	Sarna	Wenzel
Dempsey	Kelso	Ogren	Schafer	Williams
Dille	Kinkel	Olson, K.	Scheid	Winter
Dorn	Kostohryz	Omamm	Schreiber	Wynia
Forsythe	Krueger	Onnen	Seaberg	Spk. Vanasek

Those who voted in the negative were:

Abrams	Haukoos	Knickerbocker	Pauly
Ferichs	Heap	Olsen, S.	Richter

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

CONSENT CALENDAR

Wynia moved that the bills on the Consent Calendar for today be continued. The motion prevailed.

SPECIAL ORDERS

Wynia moved that the bills on Special Orders for today be continued. The motion prevailed.

GENERAL ORDERS

Wynia moved that the bills on General Orders for today be continued. The motion prevailed.

MOTIONS AND RESOLUTIONS

Limmer moved that his name be stricken as an author on H. F. No. 1385. The motion prevailed.

Haukoos, Conway and Dauner moved that their names be stricken as authors on H. F. No. 372. The motion prevailed.

Bennett, Vanasek, Wynia, Himle and Anderson, G., introduced:

House Resolution No. 10, A house resolution designating September 24, 1989, as United States Marshals Bicentennial Day.

The resolution was referred to the Committee on Rules and Legislative Administration.

ANNOUNCEMENTS BY THE SPEAKER

The Speaker announced the appointment of the following members of the House to a Conference Committee on S. F. No. 1625:

Carlson, L.; Price; Orenstein; Jaros and Heap.

The Speaker announced the appointment of the following members of the House to a Conference Committee on H. F. No. 266:

Long, Welle and Himle.

ADJOURNMENT

Wynia moved that when the House adjourns today it adjourn until 1:00 p.m., Tuesday, May 9, 1989. The motion prevailed.

Wynia moved that the House adjourn. The motion prevailed, and the Speaker declared the House stands adjourned until 1:00 p.m., Tuesday, May 9, 1989.

EDWARD A. BURDICK, Chief Clerk, House of Representatives

STATE OF MINNESOTA

SEVENTY-SIXTH SESSION — 1989

FORTY-EIGHTH DAY

SAINT PAUL, MINNESOTA, TUESDAY, MAY 9, 1989

The House of Representatives convened at 1:00 p.m. and was called to order by Robert E. Vanasek, Speaker of the House.

Prayer was offered by the Reverend Vernon Miller of St. Mary's Church, Stillwater, Minnesota.

The roll was called and the following members were present:

Abrams	Frerichs	Lasley	Orenstein	Simoneau
Anderson, G.	Girard	Lieder	Osthoff	Skoglund
Anderson, R.	Greenfield	Limmer	Ostrom	Solberg
Battaglia	Gruenes	Long	Otis	Sparby
Bauerly	Gutknecht	Lynch	Ozment	Stanius
Beard	Hartle	Macklin	Pappas	Steensma
Begich	Hasskamp	Marsh	Pauly	Swiggum
Bennett	Haukoos	McDonald	Pellow	Swenson
Bertram	Heap	McEachern	Pelowski	Tjornhom
Bishop	Henry	McGuire	Peterson	Tompkins
Blatz	Himle	McLaughlin	Poppenhagen	Trimble
Boo	Hugoson	McPherson	Price	Tunheim
Brown	Jacobs	Milbert	Pugh	Uphus
Burger	Janezich	Miller	Quinn	Valento
Carlson, D.	Jaros	Morrison	Redalen	Vellenga
Carlson, L.	Jefferson	Munger	Reding	Wagenius
Carruthers	Jennings	Murphy	Rest	Waltman
Clark	Johnson, A.	Nelson, C.	Rice	Weaver
Conway	Johnson, R.	Nelson, K.	Richter	Welle
Cooper	Johnson, V.	Neuenschwander	Rodosovich	Wenzel
Dauner	Kahn	O'Connor	Rukavina	Williams
Dawkins	Kelly	Ogren	Runbeck	Winter
Dempsey	Kelso	Olsen, S.	Sarna	Wynia
Dille	Kinkel	Olson, E.	Schafer	Spk. Vanasek
Dorn	Knickerbocker	Olson, K.	Schreiber	
Forsythe	Kostohryz	Omman	Seaberg	
Frederick	Krueger	Onnen	Segal	

A quorum was present.

Scheid was excused until 1:20 p.m. Kalis was excused until 3:20 p.m.

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

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

REPORTS OF CHIEF CLERK

Pursuant to Rules of the House, printed copies of H. F. Nos. 7, 871 and 1137 and S. F. Nos. 477, 613 and 1374 have been placed in the members' files.

S. F. No. 613 and H. F. No. 399, which had been referred to the Chief Clerk for comparison, were examined and found to be identical with certain exceptions.

SUSPENSION OF RULES

O'Connor moved that the rules be so far suspended that S. F. No. 613 be substituted for H. F. No. 399 and that the House File be indefinitely postponed. The motion prevailed.

S. F. No. 1374 and H. F. No. 1715, which had been referred to the Chief Clerk for comparison, were examined and found to be identical.

Jefferson moved that S. F. No. 1374 be substituted for H. F. No. 1715 and that the House File be indefinitely postponed. The motion prevailed.

REPORTS OF STANDING COMMITTEES

Long from the Committee on Taxes to which was referred:

H. F. No. 1448, A bill for an act relating to Hennepin county; permitting the issuance of obligations by the county board of Hennepin county for a public safety building; requiring reports to the legislature.

Reported the same back with the following amendments:

Page 1, line 10, delete "\$30,000,000" and insert "\$20,000,000"

Page 1, line 13, after the period, insert "After June 30, 1990, Hennepin county may issue and sell additional general obligation bonds in an amount not to exceed \$80,000,000 for the construction of a public safety building and related facilities."

Page 2, line 3, after "effective" insert "including savings from night, weekend, and other additional court sessions. The report of the county commissioners must specifically include a review of the required bed capacity for the facility"

Page 2, line 6, after the period insert "The reports must be referred to the judiciary committees of the house and senate. The judiciary committees must review the report and make recommendations on the proposed facilities to the respective committees on taxes of the house and senate before April 1, 1990."

With the recommendation that when so amended the bill pass.

The report was adopted.

SECOND READING OF HOUSE BILLS

H. F. No. 1448 was read for the second time.

SECOND READING OF SENATE BILLS

S. F. Nos. 613 and 1374 were read for the second time.

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. 97, A bill for an act relating to crimes; requiring the court to order the preparation of a presentence investigation report in gross misdemeanor cases when requested by the prosecutor; amending Minnesota Statutes 1988, section 609.115, subdivision 1.

H. F. No. 545, A bill for an act relating to natural resources; providing for the disposal of certain low-grade state-owned iron-bearing materials for construction or maintenance purposes; amending Minnesota Statutes 1988, section 93.41, subdivision 1.

PATRICK E. FLAHAVER, Secretary of the Senate

Mr. Speaker:

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

H. F. No. 627, A bill for an act relating to motor carriers; exempting rear-end dump trucks operated by private agricultural carriers between point of production and point of processing from requirements for rear-end protection; amending Minnesota Statutes 1988, section 221.031, subdivision 2a.

PATRICK E. FLAHAVERN, Secretary of the Senate

Mr. Speaker:

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

H. F. No. 371, A bill for an act relating to corrections; authorizing the commissioner of corrections to take photographs of juveniles committed to the commissioner for management and law enforcement purposes; amending Minnesota Statutes 1988, section 260.161, subdivision 3.

The Senate has appointed as such committee:

Messrs. Marty, Spear and McGowan.

Said House File is herewith returned to the House.

PATRICK E. FLAHAVERN, Secretary of the Senate

Mr. Speaker:

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

H. F. No. 827, A bill for an act relating to game and fish; authorizing the taking of certain muskrats that are causing damage; providing that license applications need not be notarized; regulating the purchase of raw furs; amending Minnesota Statutes 1988, sections 97A.481; 97B.655, subdivision 1; and 97B.905, subdivision 1.

The Senate has appointed as such committee:

Messrs. Bernhagen, Berg, Stumpf, Merriam and Frederickson, D. R.

Said House File is herewith returned to the House.

PATRICK E. FLAHAVEN, Secretary of the Senate

Mr. Speaker:

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

H. F. No. 1107, A bill for an act relating to landlord and tenant; authorizing emergency proceeding for loss of essential services; proposing coding for new law in Minnesota Statutes, chapter 566.

The Senate has appointed as such committee:

Messrs. Marty, Morse and Knaak.

Said House File is herewith returned to the House.

PATRICK E. FLAHAVEN, Secretary of the Senate

Mr. Speaker:

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

H. F. No. 372, A bill for an act relating to the organization and operation of state government; appropriating money for the general legislative, judicial, and administrative expenses of state government; providing for the transfer of certain money in the state treasury; fixing and limiting the amount of fees, penalties, and other costs to be collected in certain cases; creating, abolishing, modifying, and transferring agencies and functions; defining and amending terms; providing for settlement of claims; imposing certain duties, responsibilities, authority, and limitations on agencies and political subdivisions; consolidating certain funds and accounts and making conforming changes; changing the organization, operation, financing, and management of certain courts and related offices; amending Minnesota Statutes 1988, sections 3.099, subdivision 3; 3.732, subdivision 1; 6.48; 6.56; 6.58; 8.15; 8.31, subdivisions 2c and 3; 13.33; 14.07, subdivisions 1 and 2; 14.08; 14.26; 15.06, subdivision 1; 15.50, subdivision 2; 15A.081, subdivision 1; 16A.10, subdivision 1; 16A.123, by adding a subdivision; 16A.125, subdivision 5, and by adding a subdivision; 16A.133, subdivision 1; 16B.24, subdivision 6; 16B.42, subdivision 4; 16B.48, subdivision 2; 16B.61, subdivision 5;

16B.70; 41A.09, subdivision 1; 43A.02, subdivision 25; 43A.17, subdivision 1; 43A.24, subdivision 2; 44A.0311; 84.0272; 82.0274, by adding a subdivision; 84.084; 84.83, subdivision 1; 84.922, subdivision 3; 84.927, subdivision 1; 84A.51, subdivision 2; 84A.55, subdivision 14; 85.055, subdivision 2; 85.22, subdivisions 1 and 2a; 85.43; 85A.01, subdivisions 1 and 5; 85A.02, subdivisions 2, 5, 5a, 5b, 12, 16, 17, 18; 85A.04, subdivisions 1 and 4; 89.035; 89.036; 89.21; 93.335, subdivision 4; 94.09, subdivision 2; 94.342, subdivision 3; 97A.055, by adding a subdivision; 97A.165; 97A.475, subdivisions 2, 3, 6, 7, 8, 11, 12, 13, 14, 15, 16, 17, 18, 19, 20, 21, 23, 24, 25, 26, 27, 28, 29, 29a, 30, 31, 32, 33, 34, 35, 36, 37, 38, 39, 40, 41, and 42; 97A.485, subdivisions 6 and 7; 97B.301, by adding a subdivision; 106A.661, subdivision 2; 112.73; 115.03, subdivision 1; 115A.14, subdivision 4; 115A.908, subdivision 2; 115B.17, subdivision 7; 115B.20, subdivisions 1, 4, and 6; 115B.22, subdivision 7; 115B.24, subdivision 10; 115B.25, subdivision 7; 115B.26; 115C.02, subdivision 6; 115C.08, subdivision 1; 116.41, subdivision 2; 116.65, subdivision 3; 116J.01; 116J.03, subdivision 2; 116J.58, subdivision 1; 116J.64, subdivision 6; 116J.68, subdivision 2; 116J.74, subdivision 5; 116J.873, subdivision 4; 116J.955, subdivisions 1 and 2; 116J.9673, subdivision 4; 116J.970; 116J.971, subdivisions 3, 6, 7, 8, and 9; 116J.982, subdivision 1; 116L.02; 116L.03, subdivisions 2 and 7; 116L.04, subdivision 1; 116N.01, subdivision 3; 116N.02, subdivision 6; 116N.08, subdivisions 4 and 8; 116O.02, and by adding a subdivision; 116O.03, subdivisions 1, 2, 3, and by adding subdivisions; 116O.04, by adding a subdivision; 116O.05; 116O.06, subdivisions 1 and 5; 116O.08, subdivisions 2 and 7; 116O.12; 116O.13; 116O.14; 116O.15; 116P.08, subdivisions 1 and 2; 116P.13; 148B.17; 169.121, subdivision 5a; 169.126, subdivisions 4 and 4a; 169.686, subdivision 3; 176.135, subdivision 1; 190.07; 190.25, subdivision 3; 192.51, subdivision 2; 196.02; 196.021; 214.06, subdivision 1; 256.482, subdivisions 3, 7, and by adding a subdivision; 260.193, subdivision 8; 270.069; 270.185, subdivision 1; 273.02, subdivisions 5 and 6; 275.51, subdivision 3f; 284.28, subdivisions 8, 9, and 10; 296.421, subdivision 8; 297.13, subdivision 1; 297.26; 297.32, subdivision 9; 297A.44, subdivision 1; 299D.03, subdivision 7; 302A.821, subdivisions 4 and 5; 307.08, subdivision 5; 336.9-302; 336.9-413; 349.213, subdivision 1; 352.01, subdivision 2b; 353.01, subdivision 2a; 356.215, subdivisions 1 and 4d; 357.021, subdivisions 1a, 2a, and 4; 357.08; 361.03, by adding a subdivision; 373.27, subdivision 3; 402.065; 403.11, subdivision 1; 423A.02, subdivisions 1 and 2; 462.396, subdivision 4; 462A.21, by adding a subdivision; 466.01, subdivision 6; 469.056, subdivision 4; 469.100, subdivision 6; 471.699; 473.13, subdivision 4; 473.375, subdivision 17; 473.435, subdivision 2; 473.543, subdivision 5; 473.843, subdivision 2; 473.844, subdivision 1; 473.845, subdivision 1; 473.877, subdivision 1; 480.01; 480.058; 480.09, subdivision 5; 480.241, subdivisions 1 and 2; 480.242; 481.01; 481.20; 484.54, subdivision 2; 484.545, subdivisions 2 and 3; 484.62; 484.64, subdivision 3; 484.65, subdivisions 3 and 7; 484.68, subdivision 5; 485.018, subdivisions 5 and 7; 486.05, subdivision 1; 486.055; 486.06; 487.08, subdivision 5; 487.31, subdivision 1; 488.14, subdivision 1; 488A.17, subdivision 2;

488A.31, subdivision 1; 488A.34, subdivision 2; 517.08, subdivision 1c; 525.033; 609.101; 609.5315, subdivision 5; 611.17; 611.21; 611.215, subdivision 2; 611.26, subdivision 2; 611A.61, subdivision 3; 626.861, subdivisions 3 and 4; Laws 1971, chapter 355, section 1, subdivision 2; Laws 1987, chapter 386, article 2, section 22; article 9, section 19; Laws 1988, chapter 686, article 1, section 37; article 2, section 10; proposing coding for new law in Minnesota Statutes, chapters 16A; 16B; 84; 93; 115A; 116J; 116K; 192; 290; 462A; 469; 473; 480; 611; and 631; proposing coding for new law as Minnesota Statutes, chapter 361A; repealing Minnesota Statutes 1988, sections 3.865, 3.866; 3C.035; 3C.056; 11A.22; 16A.133, subdivision 3; 41A.01; 41A.02; 41A.021; 41A.022; 41A.023; 41A.03; 41A.035; 41A.036; 41A.04; 41A.05; 41A.051; 41A.06; 41A.065; 41A.066; 41A.07; 41A.08; 43A.316; 84.0911, subdivisions 1 and 3; 85.051; 85A.01, subdivision 1b; 89.04; 93.221; 94.165; 97A.065, subdivision 3; 97A.071; 97A.075; 115A.162; 116E.01; 116E.02; 116E.03; 116E.035; 116E.04; 116J.941; 116J.942; 116J.968; 161.52; 190.26; 198.001, subdivision 5; 344.03; 383B.63, subdivisions 4 and 5; 469.121, subdivision 1; 469.148; 469.149; 480.242, subdivision 4; 480.245; 486.07; 487.31, subdivision 4; 488A.05; 488A.111; 488A.22; 488A.281; 525.012, subdivisions 1, 2, 3, and 4; 611.07; 611.071; 611.12; 611.214; and 611.25, subdivision 2; Laws 1975, chapter 258, section 6, subdivisions 1, 3, 4, and 5; Laws 1983, chapter 334, section 7, as amended; Laws 1984, chapter 564, section 48; and Laws 1988, chapter 686, article 1, sections 14, paragraph (j); 21; 37, subdivision 10; and article 2, section 9.

PATRICK E. FLAHAVEN, Secretary of the Senate

Anderson, G., moved that the House refuse to concur in the Senate amendments to H. F. No. 372, 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 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. 279, A bill for an act relating to local government; permitting bank letters of credit in lieu of certain bonds; proposing coding for new law in Minnesota Statutes, chapter 574.

PATRICK E. FLAHAVEN, Secretary of the Senate

CONCURRENCE AND REPASSAGE

Blatz moved that the House concur in the Senate amendments to

H. F. No. 279 and that the bill be repassed as amended by the Senate. The motion prevailed.

H. F. No. 279, A bill for an act relating to local government; permitting bank letters of credit in lieu of bonds in certain public work projects; proposing coding for new law in Minnesota Statutes, chapter 574.

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 124 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Abrams	Frederick	Kostohryz	Olson, K.	Schreiber
Anderson, G.	Frerichs	Krueger	Omann	Seaberg
Anderson, R.	Girard	Lasley	Onnen	Simoneau
Battaglia	Greenfield	Lieder	Orenstein	Skoglund
Bauerly	Gruenes	Limmer	Osthoff	Solberg
Beard	Gutknecht	Long	Ostrom	Stanius
Begich	Hartle	Lynch	Otis	Steensma
Bennett	Hasskamp	Macklin	Ozment	Sviggum
Bertram	Haukoos	Marsh	Pauly	Swenson
Blatz	Heap	McDonald	Pellow	Tjornhom
Boo	Henry	McEachern	Pelowski	Tompkins
Brown	Himle	McGuire	Peterson	Trimble
Burger	Hugoson	McLaughlin	Poppenhagen	Tunheim
Carlson, D.	Jacobs	McPherson	Price	Uphus
Carlson, L.	Janezich	Milbert	Quinn	Valento
Carruthers	Jaros	Miller	Redalen	Vellenga
Clark	Jefferson	Morrison	Reding	Waltman
Conway	Jennings	Munger	Rest	Weaver
Cooper	Johnson, A.	Murphy	Rice	Welle
Dauner	Johnson, R.	Nelson, C.	Richter	Wenzel
Dawkins	Johnson, V.	Nelson, K.	Rodosovich	Williams
Dempsey	Kelly	O'Connor	Rukavina	Winter
Dille	Kelso	Ogren	Runbeck	Wynia
Dorn	Kinkel	Olsen, S.	Sarna	Spk. Vanasek
Forsythe	Knickerbocker	Olson, E.	Schafer	

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. 812, A bill for an act relating to insurance; life; allowing insurance policies to contain a rider providing for early payment of benefits to recipients of long-term care; amending Minnesota Statutes 1988, sections 60A.06, subdivisions 1 and 3; proposing coding

for new law in Minnesota Statutes, chapter 61A.

PATRICK E. FLAHAVEN, Secretary of the Senate

CONCURRENCE AND REPASSAGE

Kelly moved that the House concur in the Senate amendments to H. F. No. 812 and that the bill be repassed as amended by the Senate. The motion prevailed.

H. F. No. 812, A bill for an act relating to insurance; life; allowing insurance policies to contain a rider providing for early payment of benefits; amending Minnesota Statutes 1988, sections 60A.06, subdivisions 1 and 3; proposing coding for new law in Minnesota Statutes, chapter 61A.

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	Frerichs	Kostohryz	Olson, K.	Schafer
Anderson, G.	Girard	Krueger	Omann	Schreiber
Anderson, R.	Greenfield	Lasley	Onnen	Seaberg
Battaglia	Gruenes	Lieder	Orenstein	Skoglund
Bauerly	Gutknecht	Limmer	Osthoff	Solberg
Beard	Hartle	Long	Ostrom	Sparby
Begich	Hasskamp	Lynch	Otis	Stanius
Bennett	Haukoos	Macklin	Ozment	Steensma
Bertram	Heap	Marsh	Pauly	Sviggum
Blatz	Henry	McDonald	Pellow	Swenson
Boo	Himle	McEachern	Pelowski	Tjornhom
Brown	Hugoson	McGuire	Peterson	Tompkins
Burger	Jacobs	McLaughlin	Poppenhagen	Trimble
Carlson, D.	Janezich	McPherson	Price	Tunheim
Carlson, L.	Jaros	Milbert	Pugh	Uphus
Carruthers	Jefferson	Miller	Quinn	Valento
Clark	Jennings	Morrison	Redalen	Vellenga
Conway	Johnson, A.	Munger	Reding	Wagenius
Cooper	Johnson, R.	Murphy	Rest	Waltman
Dauner	Johnson, V.	Nelson, C.	Rice	Weaver
Dawkins	Kahn	Nelson, K.	Richter	Welle
Dille	Kelly	O'Connor	Rodosovich	Wenzel
Dorn	Kelso	Ogren	Rukavina	Williams
Forsythe	Kinkel	Olsen, S.	Runbeck	Winter
Frederick	Knickerbocker	Olson, E.	Sarna	Wynia
				Spk. Vanasek

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

Mr. Speaker:

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

H. F. No. 593, A bill for an act relating to occupations and professions; providing for a uniform electrical violation ticket; proposing coding for new law in Minnesota Statutes, chapter 326.

PATRICK E. FLAHAVEN, Secretary of the Senate

CONCURRENCE AND REPASSAGE

Kinkel moved that the House concur in the Senate amendments to H. F. No. 593 and that the bill be repassed as amended by the Senate. The motion prevailed.

H. F. No. 593, A bill for an act relating to occupations and professions; allowing the board of electricity to issue citations for electrical violations; proposing coding for new law in Minnesota Statutes, chapter 326.

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

The question was taken on the repassage of the bill and the roll was called. There were 129 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Abrams	Dorn	Kahn	Murphy	Redalen
Anderson, G.	Forsythe	Kelly	Nelson, C.	Reding
Anderson, R.	Frederick	Kelso	Nelson, K.	Rest
Battaglia	Frerichs	Kinkel	Neuenschwander	Rice
Bauerly	Girard	Knickerbocker	O'Connor	Richter
Beard	Greenfield	Kostohryz	Ogren	Rodosovich
Begich	Gruenes	Krueger	Olsen, S.	Rukavina
Bennett	Gutknecht	Lasley	Olson, E.	Runbeck
Bertram	Hartle	Lieder	Olson, K.	Sarna
Blatz	Hasskamp	Limmer	Omann	Schafer
Boo	Haukoos	Long	Onnen	Schreiber
Brown	Heap	Lynch	Orenstein	Seaberg
Burger	Henry	Macklin	Osthoff	Segal
Carlson, D.	Himle	Marsh	Ostrom	Simoneau
Carlson, L.	Hugoson	McDonald	Otis	Skoglund
Carruthers	Jacobs	McEachern	Ozment	Solberg
Clark	Janezich	McGuire	Pauly	Sparby
Conway	Jaros	McLaughlin	Pellow	Stanius
Cooper	Jefferson	McPherson	Pelowski	Steensma
Dauner	Jennings	Milbert	Peterson	Sviggum
Dawkins	Johnson, A.	Miller	Poppenhagen	Swenson
Dempsey	Johnson, R.	Morrison	Pugh	Tjornhom
Dille	Johnson, V.	Munger	Quinn	Tompkins

Trimble
Tunheim
Uphus

Valento
Vellenga
Wagenius

Waltman
Weaver
Welle

Wenzel
Williams
Winter

Wynia
Spk. Vanasek

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

Mr. Speaker:

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

H. F. No. 635, A bill for an act relating to credit unions; providing members with written notice regarding proposed bylaw amendments; clarifying requirements for credit unions to maintain reserve funds; allowing private insurance of member share and deposit accounts; amending Minnesota Statutes 1988, sections 52.02, subdivision 1, and by adding a subdivision; 52.17, subdivision 1; and 52.24, subdivisions 1 and 2.

PATRICK E. FLAHAVEN, Secretary of the Senate

CONCURRENCE AND REPASSAGE

Simoneau moved that the House concur in the Senate amendments to H. F. No. 635 and that the bill be repassed as amended by the Senate. The motion prevailed.

H. F. No. 635, A bill for an act relating to credit unions; providing members with written notice regarding proposed bylaw amendments; clarifying requirements for credit unions to maintain reserve funds; allowing private insurance of member share and deposit accounts; amending Minnesota Statutes 1988, sections 52.02, subdivision 1; 52.17, subdivision 1; and 52.24, subdivisions 1 and 2.

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

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

Those who voted in the affirmative were:

Abrams
Anderson, G.
Anderson, R.
Battaglia
Bauerly
Beard

Begich
Bennett
Bertram
Bishop
Blatz
Boo

Brown
Burger
Carlson, D.
Carlson, L.
Carruthers
Clark

Conway
Cooper
Dauner
Dawkins
Dempsey
Dille

Dorn
Forsythe
Frederick
Frerichs
Girard
Greenfield

Gruenes	Kinkel	Murphy	Quinn	Sviggum
Gutknecht	Knickerbocker	Nelson, C.	Redalen	Swenson
Hartle	Kostohryz	O'Connor	Reding	Tjornhom
Hasskamp	Krueger	Ogren	Rest	Tompkins
Haukoos	Lasley	Olsen, S.	Rice	Trimble
Heap	Lieder	Olson, E.	Richter	Tunheim
Henry	Limmer	Olson, K.	Rodosovich	Uphus
Himle	Long	Omann	Rukavina	Valento
Hugoson	Lynch	Onnen	Runbeck	Vellenga
Jacobs	Macklin	Orenstein	Sarna	Wagenius
Janezich	Marsh	Osthoff	Schafer	Waltman
Jaros	McDonald	Ostrom	Schreiber	Weaver
Jefferson	McEachern	Otis	Seaberg	Welle
Jennings	McGuire	Ozment	Segal	Wenzel
Johnson, A.	McLaughlin	Pauly	Simoneau	Williams
Johnson, R.	McPherson	Pellow	Skoglund	Winter
Johnson, V.	Milbert	Pelowski	Solberg	Wynia
Kahn	Miller	Peterson	Sparby	Spk. Vanasek
Kelly	Morrison	Poppenhagen	Stanius	
Kelso	Munger	Pugh	Steensma	

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. 774, A bill for an act relating to agriculture; changing voting rights in certain cooperative associations; amending Minnesota Statutes 1988, section 308.07, subdivision 4.

PATRICK E. FLAHAVEN, Secretary of the Senate

CONCURRENCE AND REPASSAGE

Olson, E., moved that the House concur in the Senate amendments to H. F. No. 774 and that the bill be repassed as amended by the Senate. The motion prevailed.

H. F. No. 774, A bill for an act relating to agriculture; changing voting rights in certain cooperative associations; amending Minnesota Statutes 1988, section 308.07, subdivision 4.

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 127 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Abrams	Frerichs	Lieder	Orenstein	Skoglund
Anderson, G.	Girard	Limmer	Osthoff	Solberg
Anderson, R.	Greenfield	Long	Ostrom	Sparby
Battaglia	Gruenes	Lynch	Otis	Stanius
Bauerly	Gutknecht	Macklin	Ozment	Steensma
Beard	Hartle	Marsh	Pauly	Sviggum
Begich	Hasskamp	McDonald	Pellow	Swenson
Bennett	Haukoos	McEachern	Pelowski	Tjornhom
Bertram	Heap	McGuire	Peterson	Tompkins
Blatz	Henry	McLaughlin	Poppenhagen	Trimble
Boo	Himle	McPherson	Price	Trunheim
Brown	Hugoson	Milbert	Pugh	Uphus
Burger	Jacobs	Miller	Quinn	Valento
Carlson, D.	Janezich	Morrison	Redalen	Vellenga
Carlson, L.	Jaros	Munger	Reding	Wagenius
Carruthers	Jennings	Murphy	Rest	Waltman
Clark	Johnson, A.	Nelson, C.	Rice	Weaver
Conway	Johnson, R.	Nelson, K.	Richter	Welle
Cooper	Johnson, V.	Neuenschwander	Rodosovich	Wenzel
Dauner	Kelly	O'Connor	Rukavina	Williams
Dawkins	Kelso	Ogren	Runbeck	Winter
Dempsey	Kinkel	Olsen, S.	Schafer	Wynia
Dille	Knickerbocker	Olson, E.	Schreiber	Spk. Vanasek
Dorn	Kostohryz	Olson, K.	Seaberg	
Forsythe	Krueger	Omman	Segal	
Frederick	Lasley	Onnen	Simoneau	

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. 955, A bill for an act relating to financial institutions; providing standards for determining transaction account service charges; permitting state banks to establish subsidiaries under certain circumstances; authorizing the commissioner to adopt rules regarding activities of banks and bank subsidiaries; amending Minnesota Statutes 1988, sections 48.512, by adding a subdivision; and 48.61, by adding a subdivision.

PATRICK E. FLAHAVER, Secretary of the Senate

CONCURRENCE AND REPASSAGE

Rodosovich moved that the House concur in the Senate amendments to H. F. No. 955 and that the bill be repassed as amended by the Senate. The motion prevailed.

H. F. No. 955, A bill for an act relating to financial institutions; providing standards for determining transaction account service charges; permitting state banks to establish subsidiaries under

certain circumstances; authorizing the commissioner to adopt rules regarding activities of banks and bank subsidiaries; permitting banks to perform clerical services at off-premises data processing and storage centers; amending Minnesota Statutes 1988, sections 48.512, by adding a subdivision; and 48.61, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapter 48.

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

The question was taken on the repassage of the bill and the roll was called. There were 129 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Abrams	Frerichs	Lasley	Onnen	Segal
Anderson, G.	Girard	Lieder	Orenstein	Simoneau
Anderson, R.	Greenfield	Limmer	Osthoff	Skoglund
Battaglia	Gruenes	Long	Ostrom	Solberg
Bauerly	Gutknecht	Lynch	Otis	Sparby
Beard	Hartle	Macklin	Ozment	Stanius
Begich	Hasskamp	Marsh	Pauly	Steensma
Bennett	Haukoos	McDonald	Pellow	Sviggum
Bertram	Heap	McEachern	Pelowski	Swenson
Bishop	Henry	McGuire	Peterson	Tjornhom
Blatz	Himle	McLaughlin	Poppenhagen	Tompkins
Boo	Hugoson	McPherson	Price	Trimble
Brown	Jacobs	Milbert	Pugh	Tunheim
Burger	Janezich	Miller	Quinn	Uphus
Carlson, D.	Jaros	Morrison	Redalen	Valento
Carlson, L.	Jefferson	Munger	Reding	Vellenga
Carruthers	Jenezich	Murphy	Rest	Wagenius
Clark	Johnson, A.	Nelson, C.	Rice	Waltman
Conway	Johnson, R.	Nelson, K.	Richter	Weaver
Cooper	Johnson, V.	Neuenschwander	Rodosovich	Welle
Dawkins	Kelly	O'Connor	Rukavina	Wenzel
Dempsey	Kelso	Ogren	Runbeck	Williams
Dille	Kinkel	Olsen, S.	Sarna	Winter
Dorn	Knickerbocker	Olson, E.	Scheid	Wynia
Forsythe	Kostohryz	Olson, K.	Schreiber	Spk. Vanasek
Frederick	Krueger	Omann	Seaberg	

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. 1429, A bill for an act relating to licensure of ambulance services; establishing new standards; amending Minnesota Statutes 1988, sections 144.801, subdivisions 4 and 7; 144.802, subdivisions 3, 3a, 4, and by adding a subdivision; 144.804; 144.806; 144.807, subdivision 1; 144.808; 144.809; and 144.8091; repealing Minnesota

Statutes 1988, sections 144.805; 144.807, subdivision 3; and 144.8092.

PATRICK E. FLAHAVEN, Secretary of the Senate

CONCURRENCE AND REPASSAGE

Conway moved that the House concur in the Senate amendments to H. F. No. 1429 and that the bill be repassed as amended by the Senate. The motion prevailed.

H. F. No. 1429, A bill for an act relating to licensure of ambulance services; establishing new standards; amending Minnesota Statutes 1988, sections 144.801, subdivision 7; 144.802, subdivisions 3, 3a, 4, and by adding a subdivision; 144.804; 144.806; 144.807, subdivision 1; 144.808; 144.809; and 144.8091; repealing Minnesota Statutes 1988, sections 144.805; 144.807, subdivision 3; and 144.8092.

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 74 yeas and 51 nays as follows:

Those who voted in the affirmative were:

Abrams	Forsythe	Kostohryz	Olsen, S.	Runbeck
Anderson, G.	Frederick	Krueger	Olsen, E.	Sarna
Battaglia	Greenfield	Lasley	Orenstein	Segal
Beard	Gruenes	Lieder	Osthoff	Simoneau
Begich	Gutknecht	Long	Otis	Skoglund
Bishop	Hartle	Lynch	Pauly	Steensma
Blatz	Janezich	McGuire	Pelowski	Trimble
Brown	Jaros	McLaughlin	Peterson	Vellenga
Burger	Jefferson	Morrison	Price	Wagenius
Carlson, L.	Johnson, A.	Munger	Pugh	Weaver
Carruthers	Kahn	Murphy	Reding	Welle
Clark	Kelly	Nelson, C.	Rest	Williams
Conway	Kelso	Nelson, K.	Rice	Wynia
Dawkins	Kinkel	Neuenschwander	Rodosovich	Spk. Vanasek
Dorn	Knickerbocker	O'Connor	Rukavina	

Those who voted in the negative were:

Anderson, R.	Dille	Jennings	Olson, K.	Schreiber
Bauerly	Frerichs	Johnson, V.	Omann	Seaberg
Bennett	Girard	Limmer	Onnen	Solberg
Bertram	Hasskamp	Macklin	Ostrom	Sparby
Boo	Haukoos	McDonald	Pellow	Stanius
Carlson, D.	Heap	McEachern	Poppenhagen	Sviggum
Cooper	Henry	McPherson	Redalen	Swenson
Dauner	Himle	Miller	Richter	Tjornhom
Dempsey	Hugoson	Ogren	Schafer	Tompkins

Tunheim
Uphus

Valento
Waltman

Wenzel
Winter

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. 1626, A bill for an act relating to state lands; conveying easement for sanitary sewer to city of Cambridge.

PATRICK E. FLAHAVEN, Secretary of the Senate

CONCURRENCE AND REPASSAGE

Lasley moved that the House concur in the Senate amendments to H. F. No. 1626 and that the bill be repassed as amended by the Senate. The motion prevailed.

H. F. No. 1626, A bill for an act relating to state lands; conveying easement for sanitary sewer to city of Cambridge.

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

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

Those who voted in the affirmative were:

Abrams	Cooper	Hugoson	Long	Olsen, S.
Anderson, G.	Dauner	Jacobs	Lynch	Olson, E.
Anderson, R.	Dawkins	Janezich	Macklin	Olson, K.
Battaglia	Dempsey	Jaros	Marsh	Omann
Bauerly	Dille	Jefferson	McDonald	Onnen
Beard	Dorn	Jennings	McEachern	Orenstein
Begich	Forsythe	Johnson, A.	McGuire	Osthoff
Bennett	Frederick	Johnson, R.	McLaughlin	Ostrom
Bertram	Frerichs	Johnson, V.	McPherson	Otis
Bishop	Girard	Kahn	Milbert	Ozment
Blatz	Greenfield	Kelly	Miller	Pauly
Boo	Gruenes	Kelso	Morrison	Pellow
Brown	Gutknecht	Kinkel	Munger	Pelowski
Burger	Hartle	Knickerbocker	Murphy	Peterson
Carlson, D.	Hasskamp	Kostohryz	Nelson, C.	Poppenhagen
Carlson, L.	Haukoos	Krueger	Nelson, K.	Price
Carruthers	Heap	Lasley	Neuenschwander	Pugh
Clark	Henry	Lieder	O'Connor	Quinn
Conway	Himle	Limmer	Ogren	Redalen

Reding	Schafer	Sparby	Tunheim	Wenzel
Rest	Scheid	Stanius	Uphus	Williams
Rice	Schreiber	Steensma	Valento	Winter
Richter	Seaberg	Sviggum	Vellenga	Wynia
Rodosovich	Segal	Swenson	Wagenius	Spk. Vanasek
Rukavina	Simoneau	Tjornhom	Waltman	
Runbeck	Skoglund	Tompkins	Weaver	
Sarna	Solberg	Trimble	Welle	

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. 804, A bill for an act relating to Chisago county; permitting the cancellation of certain ditch assessments and providing for the allocation of others.

PATRICK E. FLAHAVEN, Secretary of the Senate

CONCURRENCE AND REPASSAGE

Lasley moved that the House concur in the Senate amendments to H. F. No. 804 and that the bill be repassed as amended by the Senate. The motion prevailed.

H. F. No. 804, A bill for an act relating to Chisago county; permitting the cancellation of certain ditch assessments and providing for the allocation of others.

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

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

Those who voted in the affirmative were:

Abrams	Blatz	Dauner	Gruenes	Janezich
Anderson, G.	Boo	Dawkins	Gutknecht	Jaros
Anderson, R.	Brown	Dempsey	Hartle	Jefferson
Battaglia	Burger	Dille	Hasskamp	Jennings
Bauerly	Carlson, D.	Dorn	Haukoos	Johnson, A.
Beard	Carlson, L.	Forsythe	Heap	Johnson, R.
Begich	Carruthers	Frederick	Henry	Johnson, V.
Bennett	Clark	Frerichs	Himle	Kahn
Bertram	Conway	Girard	Hugoson	Kelly
Bishop	Cooper	Greenfield	Jacobs	Kelso

Kinkel	Miller	Otis	Runbeck	Trimble
Knickerbocker	Morrison	Ozment	Sarna	Tunheim
Kostohryz	Munger	Pauly	Schafer	Uphus
Krueger	Murphy	Pellow	Scheid	Valento
Lasley	Nelson, C.	Pelowski	Schreiber	Vellenga
Lieder	Nelson, K.	Peterson	Seaberg	Wagenius
Limmer	Neuenschwander	Poppenhagen	Segal	Waltman
Long	O'Connor	Price	Simoneau	Weaver
Lynch	Ogren	Pugh	Skoglund	Welle
Macklin	Olsen, S.	Quinn	Solberg	Wenzel
Marsh	Olson, E.	Redalen	Sparby	Williams
McDonald	Olson, K.	Reding	Stanius	Winter
McEachern	Omann	Rest	Steensma	Wynia
McGuire	Onnen	Rice	Sviggum	Spk. Vanasek
McLaughlin	Orenstein	Richter	Swenson	
McPherson	Osthoff	Rodosovich	Tjornhom	
Milbert	Ostrom	Rukavina	Tompkins	

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

Mr. Speaker:

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

H. F. No. 43, A bill for an act relating to state lands; authorizing St. Louis county to sell certain tax-forfeited lands bordering public waters.

PATRICK E. FLAHAVER, Secretary of the Senate

CONCURRENCE AND REPASSAGE

Janezich moved that the House concur in the Senate amendments to H. F. No. 43 and that the bill be repassed as amended by the Senate. The motion prevailed.

H. F. No. 43, A bill for an act relating to state lands; authorizing St. Louis county to sell certain tax-forfeited lands bordering public waters.

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

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

Those who voted in the affirmative were:

Abrams Anderson, G. Anderson, R. Battaglia Bauerly

Beard	Gutknecht	Long	Ostrom	Skoglund
Begich	Hartle	Lynch	Otis	Solberg
Bennett	Hasskamp	Macklin	Ozment	Sparby
Bertram	Haukoos	Marsh	Pauly	Stanius
Bishop	Heap	McDonald	Pellow	Steensma
Blatz	Henry	McEachern	Pelowski	Sviggum
Boo	Himle	McGuire	Peterson	Swenson
Brown	Hugoson	McLaughlin	Poppenhagen	Tjornhom
Burger	Jacobs	McPherson	Price	Tompkins
Carlson, D.	Janezich	Milbert	Pugh	Trimble
Carlson, L.	Jaros	Miller	Quinn	Tunheim
Carruthers	Jefferson	Morrison	Redalen	Uphus
Clark	Jennings	Munger	Reding	Valento
Conway	Johnson, A.	Murphy	Rest	Vellenga
Cooper	Johnson, R.	Nelson, C.	Rice	Wagenius
Dauner	Johnson, V.	Nelson, K.	Richter	Waltman
Dawkins	Kahn	Neuenschwander	Rodosovich	Weaver
Dempsey	Kelly	O'Connor	Rukavina	Welle
Dille	Kelso	Ogren	Runbeck	Wenzel
Dorn	Kinkel	Olsen, S.	Sarna	Williams
Forsythe	Knickerbocker	Olson, E.	Schafer	Winter
Frederick	Kostohryz	Olson, K.	Scheid	Wynia
Frerichs	Krueger	Omann	Schreiber	Spk. Vanasek
Girard	Lasley	Onnen	Seaberg	
Greenfield	Lieder	Orenstein	Segal	
Gruenes	Limmer	Osthoff	Simoneau	

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. 390, A bill for an act relating to appropriations; requiring recommendations of the legislative advisory commission to be made at a meeting of the commission except in certain circumstances; amending Minnesota Statutes 1988, section 3.30, subdivisions 1 and 2.

PATRICK E. FLAHAVEN, Secretary of the Senate

CONCURRENCE AND REPASSAGE

Kahn moved that the House concur in the Senate amendments to H. F. No. 390 and that the bill be repassed as amended by the Senate. The motion prevailed.

H. F. No. 390, A bill for an act relating to appropriations; requiring recommendations of the legislative advisory commission to be made at a meeting of the commission except in certain circumstances; amending Minnesota Statutes 1988, section 3.30, subdivisions 1 and 2.

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

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

Those who voted in the affirmative were:

Abrams	Frerichs	Lasley	Orenstein	Segal
Anderson, G.	Girard	Lieder	Osthoff	Simoneau
Anderson, R.	Greenfield	Limmer	Ostrom	Skoglund
Battaglia	Gruenes	Long	Otis	Solberg
Bauerly	Gutknecht	Lynch	Ozment	Sparby
Beard	Hartle	Macklin	Pappas	Stanius
Begich	Hasskamp	Marsh	Pauly	Steensma
Bennett	Haukoos	McDonald	Pellow	Swiggum
Bertram	Heap	McEachern	Pelowski	Swenson
Bishop	Henry	McGuire	Peterson	Tjornhom
Blatz	Himle	McLaughlin	Poppenhagen	Tompkins
Boo	Hugoson	McPherson	Price	Trimble
Brown	Jacobs	Milbert	Pugh	Tunheim
Burger	Janezich	Miller	Quinn	Uphus
Carlson, D.	Jaros	Morrison	Redalen	Valento
Carlson, L.	Jefferson	Munger	Reding	Vellenga
Carruthers	Jennings	Murphy	Rest	Wagenius
Clark	Johnson, A.	Nelson, C.	Rice	Waltman
Conway	Johnson, R.	Nelson, K.	Richter	Weaver
Cooper	Johnson, V.	Neuenschwander	Rodosovich	Welle
Dauner	Kahn	O'Connor	Rukavina	Wenzel
Dawkins	Kelly	Ogren	Runbeck	Williams
Dempsey	Kelso	Olsen, S.	Sarna	Winter
Dille	Kinkel	Olson, E.	Schafer	Wynia
Dorn	Knickerbocker	Olson, K.	Scheid	Spk. Vanasek
Forsythe	Kostohryz	Omann	Schreiber	
Frederick	Krueger	Onnen	Seaberg	

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. 1061, A bill for an act relating to state lands; authorizing conveyance of surplus state real property to Leo A. Hoffmann Center, Inc.

PATRICK E. FLAHAVERN, Secretary of the Senate

CONCURRENCE AND REPASSAGE

Ostrom moved that the House concur in the Senate amendments to H. F. No. 1061 and that the bill be repassed as amended by the Senate. The motion prevailed.

H. F. No. 1061, A bill for an act relating to state lands; authorizing conveyance of surplus state real property to Leo A. Hoffmann Center, Inc.

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

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

Those who voted in the affirmative were:

Abrams	Frerichs	Lasley	Orenstein	Simoneau
Anderson, G.	Girard	Lieder	Osthoff	Skoglund
Anderson, R.	Greenfield	Limmer	Ostrom	Solberg
Battaglia	Gruenes	Long	Otis	Sparby
Bauerly	Gutknecht	Lynch	Ozment	Stanius
Beard	Hartle	Macklin	Pauly	Steensma
Begich	Hasskamp	Marsh	Pellow	Svigum
Bennett	Haukoos	McDonald	Pelowski	Swenson
Bertram	Heap	McEachern	Peterson	Tjornhom
Bishop	Henry	McGuire	Poppenhagen	Tompkins
Blatz	Himle	McLaughlin	Price	Trimble
Boo	Hugoson	McPherson	Pugh	Tunheim
Brown	Jacobs	Milbert	Quinn	Uphus
Burger	Janezich	Miller	Redalen	Valento
Carlson, D.	Jaros	Morrison	Reding	Vellenga
Carlson, L.	Jefferson	Munger	Rest	Wagenius
Carruthers	Jennings	Murphy	Rice	Waltman
Clark	Johnson, A.	Nelson, C.	Richter	Weaver
Conway	Johnson, R.	Nelson, K.	Rodosovich	Welle
Cooper	Johnson, V.	Neuenschwander	Rukavina	Wenzel
Dauner	Kahn	O'Connor	Runbeck	Williams
Dawkins	Kelly	Ogren	Sarna	Winter
Dempsey	Kelso	Olsen, S.	Schafer	Wynia
Dille	Kinkel	Olson, E.	Scheid	Spk. Vanasek
Dorn	Knickerbocker	Olson, K.	Schreiber	
Forsythe	Kostohryz	Omann	Seaberg	
Frederick	Krueger	Onnen	Segal	

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

Mr. Speaker:

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

H. F. No. 1077, A bill for an act relating to state lands; authorizing conveyance of state land to the city of St. Peter.

PATRICK E. FLAHAVEN, Secretary of the Senate

CONCURRENCE AND REPASSAGE

Ostrom moved that the House concur in the Senate amendments

to H. F. No. 1077 and that the bill be repassed as amended by the Senate. The motion prevailed.

H. F. No. 1077, A bill for an act relating to state lands; authorizing conveyance of state land to the city of St. Peter.

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

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

Those who voted in the affirmative were:

Abrams	Frerichs	Krueger	Omann	Schreiber
Anderson, G.	Girard	Lasley	Onnen	Seaberg
Anderson, R.	Greenfield	Lieder	Orenstein	Segal
Bauerly	Gruenes	Limmer	Osthoff	Simoneau
Beard	Gutknecht	Long	Ostrom	Skoglund
Begich	Hartle	Lynch	Otis	Solberg
Bennett	Hasskamp	Macklin	Ozment	Sparby
Bertram	Haukoos	Marsh	Pauly	Stanius
Bishop	Heap	McDonald	Pellow	Steensma
Blatz	Henry	McEachern	Pelowski	Sviggum
Boo	Himle	McGuire	Peterson	Swenson
Brown	Hugoson	McLaughlin	Poppenhagen	Tjornhom
Burger	Jacobs	McPherson	Price	Tompkins
Carlson, D.	Janezich	Milbert	Pugh	Trimble
Carlson, L.	Jaros	Miller	Quinn	Tunheim
Carruthers	Jefferson	Morrison	Redalen	Uphus
Clark	Jennings	Munger	Reding	Valento
Conway	Johnson, A.	Murphy	Rest	Vellenga
Cooper	Johnson, R.	Nelson, C.	Rice	Wagenius
Dauner	Johnson, V.	Nelson, K.	Richter	Waltman
Dawkins	Kahn	Neuenschwander	Rodosovich	Weaver
Dempsey	Kelly	O'Connor	Rukavina	Welle
Dille	Kelso	Ogren	Runbeck	Wenzel
Dorn	Kinkel	Olsen, S.	Sarna	Williams
Forsythe	Knickerbocker	Olson, E.	Schafer	Winter
Frederick	Kostohryz	Olson, K.	Scheid	Wynia
				Spk. Vanasek

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

Mr. Speaker:

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

H. F. No. 956, A bill for an act relating to insurance; clarifying the calculation of underinsured motorist benefits; amending Minnesota

Statutes 1988, section 65B.49, subdivisions 3a and 4a.

PATRICK E. FLAHAVEN, Secretary of the Senate

Carruthers moved that the House concur in the Senate amendments to H. F. No. 956 and that the bill be repassed as amended by the Senate.

Simoneau moved that the House refuse to concur in the Senate amendments to H. F. No. 956, 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 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. 76, A bill for an act relating to juveniles; prohibiting the detention of juveniles in jails or lockups for longer than 24 hours before a detention hearing is held; prohibiting the detention of juveniles in jails or lockups after August 1, 1991, for longer than 24 hours unless a reference motion has been filed; amending Minnesota Statutes 1988, sections 260.171, subdivisions 2 and 4; and 260.172, subdivisions 1 and 2.

PATRICK E. FLAHAVEN, Secretary of the Senate

CONCURRENCE AND REPASSAGE

Vellenga moved that the House concur in the Senate amendments to H. F. No. 76 and that the bill be repassed as amended by the Senate. The motion prevailed.

H. F. No. 76, A bill for an act relating to juveniles; establishing maximum periods of detention of juveniles in adult jails or lockups; prohibiting detention beyond the maximum period before a detention hearing is held; prohibiting detention beyond the maximum period after August 1, 1991, unless a reference motion has been filed; prohibiting temporary detention beyond the maximum period; amending Minnesota Statutes 1988, sections 260.171, subdivisions 2 and 4; 260.172, subdivisions 1 and 2; and 260.173, subdivision 4.

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

The question was taken on the repassage of the bill and the roll was called. There were 130 yeas and 1 nay as follows:

Those who voted in the affirmative were:

Abrams	Frederick	Krueger	Orenstein	Seaberg
Anderson, G.	Frerichs	Lasley	Osthoff	Segal
Anderson, R.	Girard	Lieder	Ostrom	Simoneau
Battaglia	Greenfield	Limmer	Otis	Skoglund
Bauerly	Gruenes	Long	Ozment	Solberg
Beard	Gutknecht	Lynch	Pappas	Sparby
Begich	Hartle	Macklin	Pauly	Stanius
Bennett	Hasskamp	Marsh	Pellow	Steenasma
Bertram	Haukoos	McDonald	Pelowski	Sviggenum
Bishop	Heap	McEachern	Peterson	Swenson
Blatz	Henry	McGuire	Poppenhagen	Tjornhom
Boo	Himle	McPherson	Price	Tompkins
Brown	Hugoson	Milbert	Pugh	Trimble
Burger	Jacobs	Miller	Quinn	Tunheim
Carlson, D.	Janezich	Morrison	Redalen	Uphus
Carlson, L.	Jaros	Munger	Reding	Valento
Carruthers	Jefferson	Murphy	Rest	Vellenga
Clark	Jennings	Nelson, C.	Rice	Wagenius
Conway	Johnson, A.	Nelson, K.	Richter	Waltman
Cooper	Johnson, R.	Neuenschwander	Rodosovich	Weaver
Dauner	Johnson, V.	O'Connor	Rukavina	Welle
Dawkins	Kahn	Ogren	Runbeck	Wenzel
Dempsey	Kelso	Olsen, S.	Sarna	Williams
Dille	Kinkel	Olson, E.	Schafer	Winter
Dorn	Knickerbocker	Omann	Scheid	Wynia
Forsythe	Kostohryz	Onnen	Schreiber	Spk. Vanasek

Those who voted in the negative were:

Olson, K.

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. 1115, A bill for an act relating to Dakota county; permitting the county to pay costs of a morgue; proposing coding for new law in Minnesota Statutes, chapter 383D.

PATRICK E. FLAHAVEN, Secretary of the Senate

CONCURRENCE AND REPASSAGE

Tompkins moved that the House concur in the Senate amend-

ments to H. F. No. 1115 and that the bill be repassed as amended by the Senate. The motion prevailed.

H. F. No. 1115, A bill for an act relating to Dakota county; exempting certain juveniles from the county personnel department; amending certain procedural requirements for the personnel board of appeals; providing for the employment of a campground operator without competitive bids; permitting the county to pay costs of a morgue; amending Minnesota Statutes 1988, sections 383D.23, by adding a subdivision; and 383D.31, subdivision 1; proposing coding for new law in Minnesota Statutes, chapter 383D.

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

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

Those who voted in the affirmative were:

Abrams	Ferichs	Lasley	Orenstein	Segal
Anderson, G.	Girard	Lieder	Osthoff	Simoneau
Anderson, R.	Greenfield	Limmer	Ostrom	Skoglund
Battaglia	Gruenes	Long	Otis	Solberg
Bauerly	Gutknecht	Lynch	Ozment	Sparby
Beard	Hartle	Macklin	Pappas	Stanisus
Begich	Hasskamp	Marsh	Pauly	Steenasma
Bennett	Haukoos	McDonald	Pellow	Sviggum
Bertram	Heap	McEachern	Pelowski	Swenson
Bishop	Henry	McGuire	Peterson	Tjornhom
Blatz	Himle	McLaughlin	Poppenhagen	Tompkins
Boo	Hugoson	McPherson	Price	Trimble
Brown	Jacobs	Milbert	Pugh	Tunheim
Burger	Janezich	Miller	Quinn	Uphus
Carlson, D.	Jaros	Morrison	Redalen	Valento
Carlson, L.	Jefferson	Munger	Reding	Vellenga
Carruthers	Jennings	Murphy	Rest	Wagenius
Clark	Johnson, A.	Nelson, C.	Rice	Waltman
Conway	Johnson, R.	Nelson, K.	Richter	Weaver
Cooper	Johnson, V.	Neuenschwander	Rodosovich	Welle
Dauner	Kahn	O'Connor	Rukavina	Wenzel
Dawkins	Kelly	Ogren	Runbeck	Williams
Dempsey	Kelso	Olsen, S.	Sarna	Winter
Dille	Kinkel	Olson, E.	Schafer	Wynia
Dorn	Knickerbocker	Olson, K.	Scheid	Spk. Vanasek
Forsythe	Kostohryz	Omann	Schreiber	
Frederick	Krueger	Onnen	Seaberg	

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. 1492, A bill for an act relating to state parks; special permits for handicapped users; amending Minnesota Statutes 1988, section 85.053, subdivision 7.

PATRICK E. FLAHAVER, Secretary of the Senate

CONCURRENCE AND REPASSAGE

Jacobs moved that the House concur in the Senate amendments to H. F. No. 1492 and that the bill be repassed as amended by the Senate. The motion prevailed.

H. F. No. 1492, A bill for an act relating to state parks; special permits for handicapped users; amending Minnesota Statutes 1988, section 85.053, subdivision 7.

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

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

Those who voted in the affirmative were:

Abrams	Frederick	Kostohryz	Omann	Scheid
Anderson, G.	Frerichs	Krueger	Onnen	Schreiber
Anderson, R.	Girard	Lasley	Orenstein	Seaberg
Battaglia	Greenfield	Lieder	Osthoff	Segal
Bauerly	Gruenes	Limmer	Ostrom	Simoneau
Beard	Gutknecht	Long	Otis	Skoglund
Begich	Hartle	Lynch	Ozment	Solberg
Bennett	Hasskamp	Macklin	Pappas	Sparby
Bertram	Haukoos	Marsh	Pauly	Stanius
Bishop	Heap	McDonald	Pellow	Steenasma
Blatz	Henry	McEachern	Pelowski	Sviggum
Boo	Himle	McGuire	Peterson	Swenson
Brown	Hugoson	McLaughlin	Poppenhagen	Tjornhom
Burger	Jacobs	McPherson	Price	Trimble
Carlson, D.	Janezich	Milbert	Pugh	Tunheim
Carlson, L.	Jaros	Miller	Quinn	Uphus
Carruthers	Jefferson	Morrison	Redalen	Valento
Clark	Jennings	Murphy	Reding	Vellenga
Conway	Johnson, A.	Nelson, C.	Rest	Wagenius
Cooper	Johnson, R.	Nelson, K.	Rice	Waltman
Dauner	Johnson, V.	Neuenschwander	Richter	Weaver
Dawkins	Kahn	O'Connor	Rodosovich	Welle
Dempsey	Kelly	Ogren	Rukavina	Wenzel
Dille	Kelso	Olsen, S.	Runbeck	Williams
Dorn	Kinkel	Olson, E.	Sarna	Winter
Forsythe	Knickerbocker	Olson, K.	Schafer	Wynia
				Spk. Vanasek

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

Mr. Speaker:

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

H. F. No. 218, A bill for an act relating to motor vehicles; defining terms; including station wagon and certain passenger-carrying vans as passenger automobiles for all purposes; providing for registration of certain vehicles; amending Minnesota Statutes 1988, sections 65B.001, subdivision 3; 65B.43, subdivision 12; 116.60, subdivision 7; 168.011, subdivisions 7, and 28; 168.012, subdivision 1; 168.017, subdivision 1; 168.12, subdivisions 2b and 2c; 168.124, subdivision 5; 168.125, subdivision 1; and 168.126, subdivision 2; repealing Minnesota Statutes 1988, sections 168.011, subdivision 23; and 168.101, subdivision 5.

PATRICK E. FLAHAVEN, Secretary of the Senate

CONCURRENCE AND REPASSAGE

Olson, K., moved that the House concur in the Senate amendments to H. F. No. 218 and that the bill be repassed as amended by the Senate. The motion prevailed.

H. F. No. 218, A bill for an act relating to motor vehicles; defining terms; including station wagon and certain passenger-carrying vans as passenger automobiles for all purposes; providing for registration of certain vehicles; requiring commissioner of public safety to conduct background study on applicant for school bus endorsement; amending Minnesota Statutes 1988, sections 65B.001, subdivision 3; 65B.43, subdivision 12; 116.60, subdivision 7; 168.011, subdivisions 7, and 28; 168.012, subdivision 1; 168.017, subdivision 1; 168.12, subdivisions 2b and 2c; 168.124, subdivision 5; 168.125, subdivision 1; 168.126, subdivision 2; and 171.321, by adding a subdivision; repealing Minnesota Statutes 1988, sections 168.011, subdivision 23; and 168.101, subdivision 5.

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 127 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Abrams	Frerichs	Lieder	Ostrom	Skoglund
Anderson, G.	Girard	Limmer	Otis	Solberg
Anderson, R.	Greenfield	Long	Ozment	Sparby
Battaglia	Gruenes	Lynch	Pauly	Stanius
Bauerly	Hartle	Macklin	Pellow	Steensma
Beard	Hasskamp	Marsh	Pelowski	Sviggum
Begich	Heap	McDonald	Peterson	Swenson
Bennett	Henry	McEachern	Poppenhagen	Tjornhom
Bertram	Himle	McGuire	Price	Tompkins
Blatz	Hugoson	McLaughlin	Pugh	Trimble
Boo	Jacobs	Milbert	Quinn	Tunheim
Brown	Janezich	Morrison	Redalen	Uphus
Burger	Jaros	Munger	Reding	Valento
Carlson, D.	Jefferson	Murphy	Rest	Vellenga
Carlson, L.	Jennings	Nelson, C.	Rice	Wagenius
Carruthers	Johnson, A.	Nelson, K.	Richter	Waltman
Clark	Johnson, R.	Neuenschwander	Rodosovich	Weaver
Conway	Johnson, V.	O'Connor	Rukavina	Welle
Cooper	Kahn	Ogren	Runbeck	Wenzel
Dauner	Kelly	Olsen, S.	Sarna	Williams
Dawkins	Kelso	Olson, E.	Schafer	Winter
Dempsey	Kinkel	Olson, K.	Scheid	Wynia
Dille	Knickerbocker	Omman	Schreiber	Spk. Vanasek
Dorn	Kostohryz	Onnen	Seaberg	
Forsythe	Krueger	Orenstein	Segal	
Frederick	Lasley	Osthoff	Simoneau	

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. 707, A bill for an act relating to horse racing; allowing a licensed racetrack to conduct pari-mutuel betting on televised races on days when races are not conducted at the licensed racetrack; allowing the licensed racetrack to commingle pari-mutuel pools with the sending racetrack; amending Minnesota Statutes 1988, sections 240.01, subdivision 10, and by adding a subdivision; 240.10; 240.13, subdivisions 1, 3, 6, and by adding a subdivision; 240.14, by adding a subdivision; and 240.29.

PATRICK E. FLAHAVEN, Secretary of the Senate

CONCURRENCE AND REPASSAGE

Kostohryz moved that the House concur in the Senate amendments to H. F. No. 707 and that the bill be repassed as amended by the Senate. The motion prevailed.

H. F. No. 707, A bill for an act relating to horse racing; allowing a licensed racetrack to conduct pari-mutuel betting on televised races

on days when races are not conducted at the licensed racetrack; allowing the licensed racetrack to commingle pari-mutuel pools with the sending racetrack; allowing a licensed racetrack to transmit telecasts of races it conducts to other racetracks; amending Minnesota Statutes 1988, sections 240.01, subdivision 10, and by adding a subdivision; 240.10; 240.13, subdivisions 1, 3, 6, and by adding a subdivision; 240.14, by adding a subdivision; 240.16, by adding a subdivision; and 240.29.

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 87 yeas and 40 nays as follows:

Those who voted in the affirmative were:

Abrams	Dempsey	Kelso	Olsen, S.	Seaberg
Anderson, G.	Dorn	Kinkel	Olson, K.	Simoneau
Anderson, R.	Forsythe	Knickerbocker	Omann	Solberg
Battaglia	Frederick	Kostohryz	Osthoff	Stanius
Bauerly	Frerichs	Krueger	Pauly	Steenasma
Beard	Girard	Lieder	Pellow	Swiggum
Begich	Gruenes	Lynch	Pelowski	Swenson
Bennett	Heap	Macklin	Peterson	Tompkins
Bertram	Henry	McDonald	Price	Uphus
Bishop	Himle	McEachern	Pugh	Valento
Blatz	Jacobs	McLaughlin	Quinn	Waltman
Boo	Janezich	McPherson	Redalen	Welle
Brown	Jaros	Milbert	Reding	Wenzel
Carlson, L.	Jefferson	Morrison	Rest	Winter
Carruthers	Jennings	Nelson, C.	Rukavina	Spk. Vanasek
Cooper	Johnson, A.	Neuenschwander	Sarna	
Dauner	Johnson, V.	O'Connor	Schafer	
Dawkins	Kelly	Ogren	Scheid	

Those who voted in the negative were:

Burger	Johnson, R.	Munger	Ozment	Tjornhom
Carlson, D.	Kahn	Murphy	Poppenhagen	Trimble
Conway	Lasley	Nelson, K.	Rice	Tunheim
Greenfield	Limmer	Olson, E.	Richter	Vellenga
Gutknecht	Long	Onnen	Runbeck	Wagenius
Hasskamp	Marsh	Orenstein	Segal	Weaver
Haukoos	McGuire	Ostrom	Skoglund	Williams
Hugoson	Miller	Otis	Sparby	Wynia

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. 832, A bill for an act relating to Ramsey county;

authorizing the use of certain property for public purposes.

PATRICK E. FLAHAVEN, Secretary of the Senate

CONCURRENCE AND REPASSAGE

Kostohryz moved that the House concur in the Senate amendments to H. F. No. 832 and that the bill be repassed as amended by the Senate. The motion prevailed.

H. F. No. 832, A bill for an act relating to Ramsey county; authorizing the use of certain property for a public library.

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 128 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Abrams	Frederick	Lasley	Osthoff	Simoneau
Anderson, G.	Frerichs	Lieder	Ostrom	Skoglund
Anderson, R.	Girard	Limmer	Otis	Solberg
Battaglia	Greenfield	Long	Ozment	Sparby
Bauerly	Gruenes	Lynch	Pappas	Stanius
Beard	Gutknecht	Macklin	Pauly	Steensma
Begich	Hasskamp	Marsh	Pellow	Sviggun
Bennett	Haukoos	McDonald	Pelowski	Swenson
Bertram	Heap	McEachern	Peterson	Tjornhom
Bishop	Henry	McGuire	Poppenhagen	Tompkins
Blatz	Himle	McLaughlin	Price	Trimble
Boo	Hugoson	McPherson	Pugh	Tunheim
Brown	Jacobs	Milbert	Quinn	Uphus
Burger	Janezich	Miller	Redalen	Valento
Carlson, D.	Jaros	Morrison	Reding	Vellenga
Carlson, L.	Jefferson	Murphy	Rice	Wagenius
Carruthers	Jennings	Nelson, K.	Richter	Waltman
Clark	Johnson, A.	Neuenschwander	Rodosovich	Weaver
Conway	Johnson, R.	O'Connor	Rukavina	Welle
Cooper	Johnson, V.	Ogren	Runbeck	Wenzel
Dauner	Kahn	Olsen, S.	Sarna	Williams
Dawkins	Kelly	Olson, E.	Schafer	Winter
Dempsey	Kinkel	Olson, K.	Scheid	Wynia
Dille	Knickerbocker	Omann	Schreiber	Spk. Vanasek
Dorn	Kostohryz	Onnen	Seaberg	
Forsythe	Krueger	Orenstein	Segal	

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

Mr. Speaker:

I hereby announce the passage by the Senate of the following

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

H. F. No. 1411, A bill for an act relating to cooperatives; recodifying and clarifying certain provisions on cooperative businesses; amending certain provisions of cooperative business law; requiring a registered officer or agent for cooperatives; authorizing cooperatives to provide greater approval proportions than provided in statute for certain cooperative actions; providing corporate existence of cooperative begins with filing of articles; authorizing loans to and fiduciary powers with members; specifying how vacancies in unexpired directors' terms may be filled; authorizing the board to rescind membership for member violations; eliminating certain filings with county recorders; eliminating attorney general approval of articles of merger or consolidation; prescribing a fee for filing articles of consolidation; prescribing a procedure for dissolution of cooperatives; deeming certain organized cooperatives to be organized under and subject to this act; amending Minnesota Statutes 1988, sections 47.20, subdivision 2; 117.232, subdivision 1; 216B.027, subdivision 5; 237.075, subdivision 9; 273.124, subdivisions 3 and 6; 273.132, subdivision 5; 363.01, subdivision 32; and 500.20, subdivision 2a; proposing coding for new law as Minnesota Statutes, chapter 308A; repealing Minnesota Statutes 1988, sections 308.01 to 308.92.

PATRICK E. FLAHAVEN, Secretary of the Senate

CONCURRENCE AND REPASSAGE

Krueger moved that the House concur in the Senate amendments to H. F. No. 1411 and that the bill be repassed as amended by the Senate. The motion prevailed.

H. F. No. 1411, A bill for an act relating to cooperatives; recodifying and clarifying certain provisions on cooperative businesses; amending certain provisions of cooperative business law; requiring a registered officer or agent for cooperatives; authorizing cooperatives to provide greater approval proportions than provided in statute for certain cooperative actions; providing corporate existence of cooperative begins with filing of articles; authorizing loans to and fiduciary powers with members; specifying how vacancies in unexpired directors' terms may be filled; authorizing the board to rescind membership for member violations; eliminating certain filings with county recorders; eliminating attorney general approval of articles of merger or consolidation; prescribing a fee for filing articles of consolidation; prescribing a procedure for dissolution of cooperatives; deeming certain organized cooperatives to be organized under and subject to this act; amending Minnesota Statutes 1988, sections 47.20, subdivision 2; 117.232, subdivision 1; 216B.027, subdivision 5; 237.075, subdivision 9; 273.124, subdivisions 3 and 6; 273.132, subdivision 5; 363.01, subdivision 32; and 500.20, subdivision 2a;

proposing coding for new law as Minnesota Statutes, chapter 308A; repealing Minnesota Statutes 1988, sections 308.01 to 308.92.

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

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

Those who voted in the affirmative were:

Abrams	Frichs	Lieder	Osthoff	Simoneau
Anderson, G.	Girard	Limmer	Ostrom	Skoglund
Anderson, R.	Greenfield	Long	Otis	Solberg
Battaglia	Gruenes	Lynch	Ozment	Sparby
Bauerly	Gutknecht	Macklin	Pappas	Stanius
Beard	Haskamp	Marsh	Pauly	Steenma
Begich	Haukoos	McDonald	Pellow	Sviggum
Bennett	Heap	McEachern	Pelowski	Swenson
Bertram	Henry	McGuire	Peterson	Tjornhom
Bishop	Himle	McLaughlin	Poppenhagen	Tompkins
Blatz	Hugoson	McPherson	Price	Trimble
Boo	Jacobs	Milbert	Pugh	Tunheim
Brown	Janezich	Miller	Quinn	Uphus
Burger	Jaros	Morrison	Redalen	Valento
Carlson, D.	Jefferson	Munger	Reding	Vellenga
Carlson, L.	Jennings	Murphy	Rest	Wagenius
Carruthers	Johnson, A.	Nelson, C.	Rice	Waltman
Clark	Johnson, R.	Nelson, K.	Richter	Weaver
Conway	Johnson, V.	Neuenschwander	Rodosovich	Welle
Cooper	Kahn	O'Connor	Rukavina	Wenzel
Dauner	Kelly	Ogren	Runbeck	Williams
Dawkins	Kelso	Olsen, S.	Sarna	Winter
Dempsey	Kinkel	Olsen, E.	Schafer	Wynia
Dille	Knickerbocker	Olson, K.	Scheid	Spk. Vanasek
Dorn	Kostohryz	Omann	Schreiber	
Forsythe	Krueger	Onnen	Seaberg	
Frederick	Lasley	Orenstein	Segal	

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

Mr. Speaker:

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

H. F. No. 942, A bill for an act relating to metropolitan government; extending the responsibility of the mosquito control district to disease vectoring ticks; amending Minnesota Statutes 1988, sections 473.702; 473.704; and 473.711, subdivision 2.

PATRICK E. FLAHAVEN, Secretary of the Senate

CONCURRENCE AND REPASSAGE

Skoglund moved that the House concur in the Senate amendments to H. F. No. 942 and that the bill be repassed as amended by the Senate. The motion prevailed.

H. F. No. 942, A bill for an act relating to metropolitan government; extending the responsibility of the mosquito control district to disease vectoring ticks; amending Minnesota Statutes 1988, sections 473.702; 473.704; and 473.711, subdivision 2.

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

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

Those who voted in the affirmative were:

Abrams	Girard	Lieder	Osthoff	Simoneau
Anderson, G.	Greenfield	Limmer	Ostrom	Skoglund
Anderson, R.	Gruenes	Long	Otis	Solberg
Battaglia	Gutknecht	Lynch	Ozment	Sparby
Bauerly	Hartle	Macklin	Pappas	Stanius
Beard	Hasskamp	Marsh	Pauly	Steensma
Begich	Haukoos	McDonald	Pellow	Sviggun
Bennett	Heap	McEachern	Pelowski	Swenson
Bertram	Henry	McGuire	Peterson	Tjornhom
Bishop	Himle	McLaughlin	Poppenhagen	Tompkins
Blatz	Hugoson	McPherson	Price	Trimble
Boo	Jacobs	Milbert	Pugh	Tunheim
Brown	Janezich	Miller	Quinn	Uphus
Burger	Jaros	Morrison	Redalen	Valento
Carlson, D.	Jefferson	Munger	Reding	Vellenga
Carlson, L.	Jennings	Murphy	Rest	Wagenius
Carruthers	Johnson, A.	Nelson, C.	Rice	Waltman
Conway	Johnson, R.	Nelson, K.	Richter	Weaver
Cooper	Johnson, V.	Neuenschwander	Rodosovich	Welle
Dauner	Kahn	O'Connor	Rukavina	Wenzel
Dawkins	Kelly	Ogren	Runbeck	Williams
Dempsey	Kelso	Olsen, S.	Sarna	Winter
Dille	Kinkel	Olson, E.	Schafer	Wynia
Dorn	Knickerbocker	Olson, K.	Scheid	Spk. Vanasek
Forsythe	Kostohryz	Omann	Schreiber	
Frederick	Krueger	Onnen	Seaberg	
Frerichs	Lasley	Orenstein	Segal	

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

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 resolu-

tion proclaiming Sunday, June 4, as Ethnic American Day in Minnesota.

PATRICK E. FLAHAVEN, Secretary of the Senate

The resolution was referred to the Committee on Rules and Legislative Administration.

Mr. Speaker:

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

S. F. Nos. 1123, 1252, 1278, 1239, 258, 811, 1105 and 1227.

PATRICK E. FLAHAVEN, Secretary of the Senate

Mr. Speaker:

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

S. F. Nos. 6, 1358, 1375, 662, 703, 29, 653 and 1502.

PATRICK E. FLAHAVEN, Secretary of the Senate

FIRST READING OF SENATE BILLS

S. F. No. 1123, A bill for an act relating to commerce; authorizing certain investments by state banks; regulating lending practices of industrial loan and thrifts; prescribing the qualifications of the directors of certain companies; regulating the lending practices of regulated lenders; regulating delinquency and collection charges on retail installment contracts; requiring notice to perfect certain storage liens; amending Minnesota Statutes 1988, sections 48.61, by adding a subdivision; 53.04, by adding a subdivision; 53.06; 56.12; 168.71; and 514.19.

The bill was read for the first time.

Scheid moved that S. F. No. 1123 and H. F. No. 156, now on General Orders, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 1252, A bill for an act relating to local government; the towns of Crystal Bay, Beaver Bay, and Stony River, the cities of

Beaver Bay and Silver Bay, and Unorganized Territory No. 1; permitting the establishment of a medical clinic district; permitting a hospital appropriation by the Cook county board; authorizing the establishment of a Cook county hospital district; adding and removing certain unorganized territory from a St. Louis county hospital district; validating hospital referenda; providing for certain bonded indebtedness of the city of Cook; amending Laws 1988, chapter 645, sections 1, subdivision 1, and by adding a subdivision; and 4.

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

S. F. No. 1278, A bill for an act relating to taxation; extending the duration of a property tax exemption for land held for economic development by the city of Hermantown; amending Laws 1988, chapter 719, article 19, section 31.

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

S. F. No. 1239, A bill for an act relating to Roseau county; providing increased bonding authority for hospital districts in the county; amending Laws 1961, chapter 115, section 4, as amended.

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

S. F. No. 258, A bill for an act relating to state government; regulating state employment practices; regulating the setting of certain salaries; extending inclusion of veterans in the category of protected groups for the purpose of state employment; authorizing an alternative procedure for discharges of state troopers; ratifying certain salaries; amending Minnesota Statutes 1988, sections 15A.083, subdivisions 5 and 7; 43A.02, subdivision 33; 43A.04, subdivisions 1 and 3, and by adding a subdivision; 43A.10, subdivisions 7 and 8; 43A.12, subdivision 5; 43A.13, subdivisions 4, 5, 6, and 7; 43A.15, subdivision 10; 43A.17, subdivision 1; 43A.18, subdivisions 4 and 5; 43A.191, subdivisions 2 and 3; 43A.27, subdivision 4; 43A.316, subdivision 5; 43A.37, subdivision 1; 176.421, by adding a subdivision; and 299D.03, subdivision 7; repealing Minnesota Statutes 1988, section 43A.081, subdivisions 1, 2, and 5.

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

S. F. No. 811, A bill for an act relating to local government;

expanding the purpose for the use of certain dedicated cash payments under the municipal planning law; amending Minnesota Statutes 1988, section 462.358, subdivision 2b.

The bill was read for the first time.

Swenson moved that S. F. No. 811 and H. F. No. 1004, now on General Orders, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 1105, A bill for an act relating to motor vehicles; providing for suspension of apportioned license plates and fuel tax compact licenses for certain interstate vehicle fleet owners who are delinquent in required filings or payments; providing for installment payments by interstate fleet owners; amending Minnesota Statutes 1988, sections 168.187, by adding a subdivision; and 168.31, subdivision 4, and by adding a subdivision.

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

S. F. No. 1227, A bill for an act relating to commerce; providing for the regulation of real estate closing agents; prescribing penalties; amending Minnesota Statutes 1988, sections 82.17, subdivisions 7, 9, and 10; 82.18; 82.19, subdivisions 1, 2, 3, and 4, and by adding a subdivision; 82.20, subdivisions 1, 2, 3, 5, 8, 12, and by adding a subdivision; 82.21, subdivision 1; 82.22, subdivisions 1, 5, 6, 10, and 11; 82.23, subdivisions 2 and 3; 82.24, subdivisions 1, 2, 3, 4, 5, and 6; 82.27, subdivisions 1 and 2; 82.30, subdivision 1; 82.31, subdivision 1; 82.33, subdivision 1; 82.34, subdivisions 3, 4, 6, 7, 13, and 14; and 507.45, subdivision 2; repealing Minnesota Statutes 1988, section 82.34, subdivision 12.

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

S. F. No. 6, A bill for an act relating to taxation; exempting an Itasca county levy from the penalty for levies in excess of limitations; temporarily exempting an Itasca county levy for economic development from levy limits.

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

S. F. No. 1358, A bill for an act relating to metropolitan airport planning; requiring various actions, plans, and reports by the metropolitan council and the metropolitan airports commission;

establishing a state advisory council on metropolitan airport planning; providing for a study on the effects of a runway expansion at Airlake airport and the use of certain airports to relieve congestion at Minneapolis-St. Paul international airport; amending Minnesota Statutes 1988, sections 473.604, subdivision 1; 473.608, subdivision 1; and 473.621, subdivision 1a; proposing coding for new law in Minnesota Statutes, chapter 473.

The bill was read for the first time.

Wynia moved that S. F. No. 1358 and H. F. No. 1336, now on General Orders, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 1375, A bill for an act relating to alcohol assessment; allowing assessors to have access to law enforcement data; imposing a time limit for performance of the assessment; amending Minnesota Statutes 1988, section 169.126, subdivision 4.

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

S. F. No. 662, A bill for an act relating to public safety; authorizing fire department access to criminal history data; limiting use of criminal history data in assessing fire protection agency job applicants; exempting fire protection agencies from requirements relating to public employment of rehabilitated criminal offenders; eliminating the requirement that certain burn injuries must be reported by telephone; amending Minnesota Statutes 1988, sections 364.09; and 626.52, subdivision 3; proposing coding for new law in Minnesota Statutes, chapter 299F.

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

S. F. No. 703, A bill for an act relating to education; reauthorizing program improvement grants; providing an exception to consolidation timelines; providing for agreements between Peterson and Rushford independent school districts; amending Minnesota Statutes 1988, sections 122.23, by adding a subdivision; and 129B.11, subdivisions 1 and 2.

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

S. F. No. 29, A bill for an act relating to taxation; clarifying authorization for county levy for providing funds for county agricul-

tural societies; amending Minnesota Statutes 1988, section 38.27, subdivision 1; repealing Minnesota Statutes 1988, sections 38.17; 38.27, subdivision 3; and 38.28.

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

S. F. No. 653, A bill for an act relating to agriculture; requiring certain disposable waste containers to be degradable; amending Minnesota Statutes 1988, section 325E.045, subdivision 1, and by adding subdivisions.

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

S. F. No. 1502, A bill for an act relating to game and fish; regulating the time when fish houses may be on the ice; amending Minnesota Statutes 1988, section 97C.355, subdivision 7.

The bill was read for the first time.

Omann moved that S. F. No. 1502 and H. F. No. 1395, now on General Orders, be referred to the Chief Clerk for comparison. 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. 956:

Carruthers, Kelly, Dempsey, Simoneau and Bishop.

CONSENT CALENDAR

S. F. No. 858, A bill for an act relating to health; authorizing community health boards to establish community-based health promotion teams; prescribing duties; amending Minnesota Statutes 1988, section 145A.10, by adding a subdivision.

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

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

Those who voted in the affirmative were:

Abrams	Girard	Lasley	Onnen	Schreiber
Anderson, G.	Greenfield	Lieder	Orenstein	Seaberg
Anderson, R.	Gruenes	Limmer	Osthoff	Segal
Bauerly	Gutknecht	Long	Ostrom	Simoneau
Beard	Hartle	Lynch	Otis	Skoglund
Bennett	Hasskamp	Macklin	Ozment	Solberg
Bertram	Haukoos	Marsh	Pappas	Sparby
Bishop	Heap	McDonald	Pauly	Stanius
Blatz	Henry	McEachern	Pellow	Steensma
Boo	Himle	McGuire	Pelowski	Sviggum
Brown	Hugoson	McLaughlin	Peterson	Swenson
Burger	Jacobs	McPherson	Poppenhagen	Tjornhom
Carlson, D.	Janezich	Milbert	Price	Tompkins
Carlson, L.	Jaros	Miller	Pugh	Trimble
Carruthers	Jefferson	Morrison	Quinn	Tunheim
Clark	Jennings	Munger	Redalen	Uphus
Conway	Johnson, A.	Murphy	Reding	Valento
Cooper	Johnson, R.	Nelson, C.	Rest	Vellenga
Dauner	Johnson, V.	Nelson, K.	Rice	Wagenius
Dawkins	Kahn	Neuenschwander	Richter	Waltman
Dempsey	Kelly	O'Connor	Rodosovich	Weaver
Dille	Kelso	Ogren	Rukavina	Welle
Dorn	Kinkel	Olsen, S.	Runbeck	Wenzel
Forsythe	Knickerbocker	Olson, E.	Sarna	Williams
Frederick	Kostohryz	Olson, K.	Schafer	Winter
Frerichs	Krueger	Omann	Scheid	Wynia
				Spk. Vanasek

The bill was passed and its title agreed to.

S. F. No. 1258, A bill for an act relating to Martin county; permitting the county board to assign certain duties to the county recorder.

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	Dauner	Jacobs	Macklin	Olson, K.
Anderson, G.	Dawkins	Janezich	Marsh	Omann
Anderson, R.	Dempsey	Jaros	McDonald	Onnen
Battaglia	Dille	Jefferson	McEachern	Orenstein
Bauerly	Dorn	Jennings	McGuire	Osthoff
Beard	Forsythe	Johnson, R.	McLaughlin	Ostrom
Begich	Frederick	Johnson, V.	McPherson	Otis
Bennett	Frerichs	Kahn	Milbert	Ozment
Bertram	Girard	Kelly	Miller	Pappas
Bishop	Greenfield	Kelso	Morrison	Pauly
Blatz	Gruenes	Kinkel	Munger	Pellow
Boo	Gutknecht	Knickerbocker	Murphy	Pelowski
Brown	Hartle	Kostohryz	Nelson, C.	Peterson
Burger	Hasskamp	Krueger	Nelson, K.	Poppenhagen
Carlson, D.	Haukoos	Lasley	Neuenschwander	Price
Carlson, L.	Heap	Lieder	O'Connor	Pugh
Carruthers	Henry	Limmer	Ogren	Quinn
Clark	Himle	Long	Olsen, S.	Redalen
Conway	Hugoson	Lynch	Olson, E.	Reding

Rest	Scheid	Stanis	Uphus	Williams
Rice	Schreiber	Steensma	Valento	Winter
Richter	Seaberg	Sviggum	Vellenga	Wynia
Rodosovich	Segal	Swenson	Wagenius	Spk. Vanasek
Rukavina	Simoneau	Tjornhom	Waltman	
Runbeck	Skoglund	Tompkins	Weaver	
Sarna	Solberg	Trimble	Welle	
Schafer	Sparby	Tunheim	Wenzel	

The bill was passed and its title agreed to.

S. F. No. 1417 was reported to the House.

McGuire moved to amend S. F. No. 1417, as follows:

Delete everything after the enacting clause and insert:

“Section 1. [BENTON COUNTY; EXCHANGE OF LAND.]

Notwithstanding Minnesota Statutes, sections 92.45 and 94.342, subdivision 3, the commissioner of natural resources may exchange:

Part of Outlot “A”. Lakewood Shores, according to the plat and survey thereof on file and of record in the Office of the County Recorder located in Section 15, Township 37N, Range 31 W, Benton County, for land owned by John Burton, described as follows:

Part of Government Lot 1 of Section 14, Township 37 North, Range 31 West, Benton County, Minnesota, lying westerly of U. S. Trunk Highway No. 10.

The exchange will allow better access to state land located on Little Rock Lake in Benton county.

Sec. 2. [ITASCA COUNTY; TRUST FUND LAND.]

Notwithstanding Minnesota Statutes, section 92.45, the commissioner of natural resources may sell in the manner prescribed for trust fund land, under Minnesota Statutes, chapter 92, the property described as:

The East half of the Northeast Quarter of Section 14, Township 150 North, Range 27 West, in Itasca county, Minnesota.

The land is suitable for agriculture and is not required for state forest purposes.

This land has been leased for several years to the adjacent property owner. The property owner has requested to purchase the property to expand a farming operation. The land is not needed for resource management purposes.

Sec. 3. [ST. LOUIS COUNTY; TRUST FUND LAND.]

Notwithstanding Minnesota Statutes, section 92.45, the commissioner of natural resources may sell in the manner prescribed for trust fund land, under Minnesota Statutes, chapter 92, the following described property:

Lot 1 of Block 1 of the plat of Burntside View located in Government Lot 6, Section 23, Township 63 North, Range 13 West, St. Louis county.

The land and any improvements must be appraised separately.

If the purchaser of the property is not J. A. Louis LaMontague, the purchaser must reimburse Mr. LaMontague for the value of the improvements.

The land sale will resolve an inadvertent trespass that was discovered when a boundary line was resurveyed. The public interest will be best served when this trespass is resolved.

Sec. 4. [COOK COUNTY; TRUST FUND LAND.]

Notwithstanding Minnesota Statutes, section 92.45, the commissioner of natural resources may sell in the manner prescribed for trust fund land, under Minnesota Statutes, chapter 92, the following described property:

The East 100 feet of the North 1,715 feet of the West half of the Northwest Quarter of Section 15, Township 64 North, Range 1 West, Cook county, Minnesota, containing 3.94 acres, more or less.

The land and improvements must be appraised separately.

If the purchaser of the property is not the Northwest Conference of the Evangelical Covenant Church, the purchaser must reimburse the Northwest Conference of the Evangelical Covenant Church for the value of the improvements.

This will resolve an inadvertent trespass that was discovered when a boundary line was resurveyed. The public interest will be best served when this trespass is resolved.

Sec. 5. [CITY OF FARIBAULT; SURPLUS LAND FOR RECREATIONAL PURPOSES.]

Notwithstanding Minnesota Statutes, section 92.45, the commissioner of natural resources may sell the following described property to the city of Faribault in the manner prescribed by Minnesota Statutes, section 84.027, subdivision 10.

The commissioner of natural resources may sell:

All that part of the Northeast Quarter of the Northeast Quarter of Section 31, Township 110 North, Range 20 West, Rice county, Minnesota, containing 1.8 acres, more or less, described as follows: all that part of the land described in that certain deed between Swift and Company and the state of Minnesota dated June 28, 1971, and filed for record in the office of the register of deeds in and for Rice county, Minnesota, on August 19, 1971, in book 250 of Deeds on page 453, which lies westerly of the water's edge of the Straight river.

This land has been leased by the city for park purposes and the conveyance to the city will best serve the public interest.

Sec. 6. [ANOKA COUNTY; SURPLUS LAND FOR RECREATIONAL PURPOSES.]

Notwithstanding Minnesota Statutes, section 92.45, the commissioner of natural resources may sell the following described property to Anoka county in the manner prescribed by Minnesota Statutes, section 84.027, subdivision 10.

The commissioner of natural resources may sell property described as:

Government Lot 1, Section 5, Township 120 North, Range 22 West; and Government Lot 1, Section 6, Township 120 North, Range 22 West; and Government Lot 4, Section 31, Township 121 North, Range 22 West, Hennepin county, according to the government survey thereof. Containing 97.0 acres, more or less.

This land will be used for a county park and the conveyance to the county will best serve the public interest.

Sec. 7. [CITY OF WARROAD; RECREATIONAL PURPOSES.]

Notwithstanding Minnesota Statutes, section 92.45, the commissioner of natural resources may sell the following described property to the city of Warroad in the manner prescribed by Minnesota Statutes, section 84.027, subdivision 10:

Government Lot 6, Section 28, Township 163 North, Range 36 West, Roseau county, Minnesota.

This land was acquired for a public access and is no longer needed for that purpose. The conveyance to the city will best serve the public interest.

Sec. 8. [CITY OF ORTONVILLE; RECREATIONAL PURPOSES.]

Notwithstanding Minnesota Statutes, section 92.45, the commissioner of natural resources may sell the following described property to the city of Ortonville in the manner prescribed by Minnesota Statutes, section 84.027, subdivision 10.

The commissioner may sell property described as:

Commencing at the intersection of the center line of the Minnesota River and the center line of County State Aid Highway No. 30 on the Minnesota MHD Bridge No. 5411; thence southwesterly along the center line of County State Aid Highway No. 30 a distance of 550 feet, to its intersection with the South Dakota-Minnesota boundary line; thence southeasterly along the interstate boundary line a distance of 60 feet to the point of beginning and its intersection with the south right-of-way line of County State Aid Highway No. 30. Thence northeasterly along the said right-of-way line a distance of 970 feet, more or less; thence southeasterly 350 feet along the top of the berm dyke; thence southwesterly 1,000 feet to the interstate boundary; thence northerly along said state line a distance of 120 feet, more or less, to a state monument; thence northwesterly along the interstate boundary line a distance of 315 feet, more or less, to the point of beginning, excepting therefrom the channel area, containing 7.2 acres, more or less, all lying in Section 9, Township 121 North, Range 46 West of the 5th Principal Meridian, being parts of Government Lots 1, 3, and 4, in said Section, Township, and Range, Lac Qui Parle and Big Stone counties, Minnesota.

This land has been used by the city for park purposes for some time. The conveyance to the city will best serve the public interest.

Sec. 9. [CITY OF BRAINERD; CITY LOT.]

Notwithstanding Minnesota Statutes, section 92.45, the commissioner of natural resources may sell in the manner prescribed in Minnesota Statutes, chapter 94, the following described land:

Lot 10, Block 1, Bonny Woode Addition to the city of Brainerd, except the south eight feet thereof, according to the plat thereof on file and of record in the office of the county recorder in and for the county of Crow Wing in Minnesota.

This land is a lot within the city that was obtained through a gift to the state. It will best serve the public interest if this property is sold and the proceeds are used for the acquisition of other land.

Sec. 10. [GOODHUE COUNTY; PRIVATE SALE.]

Notwithstanding Minnesota Statutes, sections 94.09 to 94.16, the commissioner of natural resources may sell by private sale for a

consideration of not less than the appraised value, excluding improvements, to Eugene Laqua, of Red Wing, Minnesota, a tract of land in Goodhue county and described as:

That part of Block 8, Wacouta Beach, according to the recorded plat thereof, described as follows:

Commencing at a found iron pipe at the southwest corner of Lot 7, Block 4, Wacouta Beach; thence South 00 degrees 07 minutes 53 seconds West along the southerly projection of the west line of said Lot 7, a distance of 40.01 feet to the north line of said Block 8; thence North 88 degrees 41 minutes 10 seconds East along said north line, a distance of 364.60 feet to the point of beginning of the land to be described; thence South 83 degrees 50 minutes 01 second East, a distance of 188.87 feet; thence North 23 degrees 32 minutes 52 seconds East, a distance of 12 feet, more or less, to the north line of said Block 8; thence westerly along said north line to the point of beginning containing .04 acres, more or less.

This will resolve an inadvertent trespass that was discovered through a resurvey of a boundary line. It will best serve the public interest if this land is sold to the affected property owner.

Sec. 11. [GOODHUE COUNTY; CORRECTION OF SURVEY ERROR.]

Notwithstanding Minnesota Statutes, sections 94.09 to 94.16; 92.45; or 85.012, the commissioner of natural resources shall convey to the adjacent landowners interests in certain real property described in this section. This conveyance shall be made without consideration as it corrects a previous survey error.

The conveyance shall be in a form approved by the attorney general.

The interest in land to be conveyed is located in Goodhue county and is described as follows:

That part of Government Lot 3, Section 13, Township 112 North, Range 13 West of the 5th Principal Meridian, Goodhue County, Minnesota, described more particularly as follows:

Commencing at a found Minnesota Department of Transportation 3-inch aluminum right-of-way marker, said marker is at Highway Station Number 239 + 48.1 and is at the easterly right of way of State Highway No. 61 at the T.S. of a spiral curve concave to the southwest. Said commencing point bears N 38 degrees 26' 20" W a chord distance of 137.60 feet from a found ½ inch iron pipe marked "RLS 12788" for the intersection of the east right of way line of State Hwy. No. 61; and the south line of Government Lot 3, also being the

south line of Beach Bay Subdivision as recorded. Said commencing point also bears S 68 degrees 06' 17" E a distance of 3253.47 feet from a found Minnesota Department of Natural Resources Cast Iron Monument for the west one-quarter corner of Section 13, Township 112 N, Range 13 W, 5th Principal Meridian, Goodhue County, Minnesota, thence N 38 degrees 41' 05" W, astronomic bearing determined by solar observation a distance of 359.38 feet along the easterly right of way of State Highway No. 61 to the POINT OF BEGINNING of said tract; thence N 38 degrees 41' 05" W a distance of 16.21 feet continuing along the easterly right of way of State Highway No. 61, for the northwesterly corner of said tract; thence N 88 degrees 50' 35" E a distance of 1317.00 feet to the westerly shore of Lake Pepin, said distance reflects the shoreline as observed on August 9, 1988, with a mean sea level elevation of Lake Pepin observed at 667.11 feet, said elevation being referenced to a U.S. Coast & Geodetic Survey Brass Disc Benchmark stamped "K249", and located approximately 4.1 miles north of the intersection of Highways No. 61 & 63, 157 feet northeast of the centerline of Highway No. 61; thence S 18 degrees 14' 31" W a distance of 40.25 feet along the shoreline of Lake Pepin as described above; thence S 89 degrees 57' 18" W a distance of 1294.00 feet parallel with the south line of Government Lot 3, to the POINT OF BEGINNING. Said tract contains 33,193 square feet or 0.762 acres, more or less, to the shoreline of Lake Pepin as surveyed on August 9, 1988.

Sec. 12. [CARLTON COUNTY; TRANSFER FROM DEPARTMENT OF TRANSPORTATION TO DEPARTMENT OF NATURAL RESOURCES.]

Notwithstanding Minnesota Statutes, sections 94.09 to 94.16, or other law, the commissioner of transportation on behalf of the state shall convey from the department of transportation to the department of natural resources, without compensation, interests in certain real property described in this section.

The conveyance shall be in a form approved by the attorney general.

The interest in land to be conveyed is located in Carlton county and is described as follows:

All right of access, being the right of ingress to and egress from Tract A described below, to Trunk Highway No. 311 renumbered No. 73;

Tract A. That part of the Southwest Quarter of the Southeast Quarter of Section 28, Township 46 North, Range 19 West, Carlton County, Minnesota; lying southeasterly of the southeasterly right of way line of Trunk Highway No. 73 as now located and established and westerly of the right of way of Trunk Highway No. 35 as now located and established;

which lies between points distant 20 feet and 80 feet southwesterly of the point of termination of Line 1 described below (both distances measured along said Line 1);

Line 1. Beginning at a point on the north line of Section 29, Township 46 North, Range 19 West, distant 1045.1 feet east of the north quarter corner thereof, thence run southwesterly at an angle of 73 degrees 02 minutes 00 seconds from said north section line (measured from west to south) for 699.16 feet; thence deflect to the left on a 4 degree 00 minute 00 second curve (delta angle 48 degrees 02 minutes 00 seconds) for 1200.83 feet; thence on tangent to said curve for 2630.1 feet to tangent spiral point; thence deflect to the left on a spiral curve of decreasing radius (spiral angle 06 degrees 00 minutes 00 seconds) for 300 feet to Spiral Curve Point; thence deflect to the left on a 04 degree 00 minute 00 second circular curve (delta angle 72 degrees 15 minutes 00 seconds) for 1806.25 feet to Curve Spiral Point; thence deflect to the left on a spiral curve of increasing radius (spiral angle 06 degrees 00 minutes 00 seconds) for 300 feet to Spiral Tangent Point; thence on tangent to said curve for 1239.8 feet and there terminating.

Sec. 13. [OTTER TAIL COUNTY; PRIVATE SALE TO CLEAR TITLE.]

Notwithstanding Minnesota Statutes, sections 94.09 to 94.16, or other law, the commissioner of natural resources shall convey to the adjacent landowner interests in certain real property described in this section. The conveyance shall be made for not less than the appraised value.

The conveyance shall be in a form approved by the attorney general.

The interest in land to be conveyed is located in Otter Tail county and is described as follows:

Part of the Northeast Quarter of the Northwest Quarter (NE ¼ of NW ¼), of Section 17, Township 137, Range 38, in Ottertail County furtherly described as:

Beginning at a point 4 rods west of the Northeast corner of said Northeast Quarter of the Northwest Quarter (NE ¼ of NW ¼), of Section 17, Township 137, Range 38, 256 feet west, thence 429 feet south, thence 256 feet east, thence 429 feet north to place of beginning, less road across the northeast corner of same.

This conveyance will allow the chain of title for this parcel to be cleared.

Sec. 14. [EFFECTIVE DATE.]

Sections 1 to 13 are effective the day following final enactment."

Delete the title and insert:

"A bill for an act relating to state lands; authorizing the sale of certain state lands bordering on public waters; authorizing the exchange of certain land in Benton county; authorizing the sale of certain trust fund land in Itasca, St. Louis, and Cook counties; authorizing the sale of certain surplus land for recreational purposes to the cities of Faribault, Warroad, and Ortonville, and Anoka county; authorizing the sale of a certain gifted city lot in the city of Brainerd; authorizing the private sale of certain land in Goodhue and Otter Tail counties to resolve an inadvertent trespass; authorizing conveyance of interest in certain land in Goodhue county to correct a survey error; authorizing transfer of certain land in Carlton county from the department of transportation to the department of natural resources."

The motion prevailed and the amendment was adopted.

Jennings and McGuire moved to amend S. F. No. 1417, as amended, as follows:

Page 9, after line 5, insert:

"Sec. 14. [SALE OF TAX-FORFEITED LAND; CHISAGO COUNTY.]

(a) Notwithstanding Minnesota Statutes, section 282.018, Chisago county may sell the tax-forfeited lands bordering public water that is described in paragraph (c), under the remaining provisions of Minnesota Statutes, chapter 282.

(b) The conveyance must be in a form approved by the attorney general.

(c) The lands that may be conveyed are located in Chisago county and consist of lots and blocks and other lands described as:

Lot 10 lying west of the Sunrise River in Block 7 of John S. Brown's Addition to Sunrise City

Outlot B of Rignell's Rearrangement of Deer Garden

Lot 6, Block 1 of Rignell's Rearrangement of Deer Garden

Cambridge Lake Estates, Unit 1

Lots 10, 11, 14 to 17, 29, 30, 32 to 36, Block 1

Park lot located in Block 1

Cambridge Lake Estates, Unit 3

Lot 26 Block 1

Cambridge Lake Estates, Unit 4

That part of Block 11 bounded on North by continuance of North line of 2nd Street and bounded on South by South line of 2nd Street if said lines were extended easterly to St. Croix River.

That part of Block 11 bounded on North by line found by continuing North line of South Half of Lot 4, Block 2, easterly in straight line to St. Croix River and bounded on South by continuing line between Lots 2 and 3, Block 2, easterly in straight line to St. Croix River.

That part of Block 11 bounded on North by a line found by continuing the line between Lots 1 and 2, Block 3, easterly in a straight line to St. Croix River and on South by continuing North line of Lot 5, Block 2, easterly in a straight line to St. Croix River.

All in the city of Taylors Falls

Part of the Northeast Quarter of the Southeast Quarter described as follows:

Beginning at a point on the North line of the Northeast Quarter of the Southeast Quarter where the East line of right-of-way of N.P. Railroad Company intersects the same; thence East on North line of the Northeast Quarter of the Southeast Quarter to the Northeast corner thereof; thence South on the East line of the Northeast Quarter of the Southeast Quarter 496 feet, more or less, to County Ditch running in an easterly and westerly direction through said Northeast Quarter of the Southeast Quarter; thence due West to the East line of the right-of-way of said railroad; thence North on East line of right-of-way to place of beginning.

Section 9, Township 37 North, Range 21 West.

(d) The county has determined that the county's land management interests would best be served if the lands were privately owned."

Page 9, line 6, delete "14." and insert "15."

Page 9, line 7, delete "13" and insert "14"

The motion prevailed and the amendment was adopted.

S. F. No. 1417, A bill for an act relating to state lands; authorizing the sale of certain state lands bordering on public waters; authorizing the exchange of certain land in Benton county; authorizing the sale of certain trust fund land in Itasca, St. Louis, and Cook counties; authorizing the sale of certain surplus land for recreational purposes in the cities of Faribault, Warroad, and Ortonville, and Anoka county; authorizing the sale of a certain gifted city lot in the city of Brainerd; authorizing the private sale of certain land in Goodhue and Otter Tail counties to resolve an inadvertent trespass; authorizing conveyance of interest in certain land in Goodhue county to correct a survey error; authorizing transfer of certain land in Carlton county from the department of transportation to the department of natural resources.

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

The question was taken on the passage of the bill and the roll was called. There were 130 yeas and 1 nay as follows:

Those who voted in the affirmative were:

Abrams	Frederick	Lasley	Orenstein	Seaberg
Anderson, G.	Frerichs	Lieder	Osthoff	Segal
Anderson, R.	Girard	Limmer	Ostrom	Simoneau
Battaglia	Greenfield	Long	Otis	Skoglund
Bauerly	Gruenes	Lynch	Ozment	Solberg
Beard	Gutknecht	Macklin	Pappas	Sparby
Begich	Hartle	Marsh	Pauly	Stanius
Bennett	Hasskamp	McDonald	Pellow	Steensma
Bertram	Haukoos	McEachern	Pelowski	Sviggum
Bishop	Heap	McGuire	Peterson	Swenson
Blatz	Henry	McLaughlin	Poppenhagen	Tjornhom
Boo	Himle	McPherson	Price	Tompkins
Brown	Hugoson	Milbert	Pugh	Trimble
Burger	Jacobs	Miller	Quinn	Tunheim
Carlson, D.	Janezich	Morrison	Redalen	Uphus
Carlson, L.	Jaros	Murphy	Reding	Valento
Carruthers	Jefferson	Nelson, C.	Rest	Vellenga
Clark	Jennings	Nelson, K.	Rice	Wagenius
Conway	Johnson, A.	Neuenschwander	Richter	Waltman
Cooper	Johnson, R.	O'Connor	Rodosovich	Weaver
Dauner	Johnson, V.	Ogren	Rukavina	Welle
Dawkins	Kahn	Olsen, S.	Runbeck	Wenzel
Dempsey	Kelso	Olson, E.	Sarna	Williams
Dille	Kinkel	Olson, K.	Schafer	Winter
Dorn	Knickerbocker	Omann	Scheid	Wynia
Forsythe	Kostohryz	Onnen	Schreiber	Spk. Vanasek

Those who voted in the negative were:

Munger

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

The Speaker called Redalen to the Chair.

SPECIAL ORDERS

S. F. No. 1031 was reported to the House.

Trimble moved that S. F. No. 1031 be temporarily laid over on Special Orders. The motion prevailed.

S. F. No. 847, A bill for an act relating to transportation; deregulating persons who provide transportation service under contract to and with assistance from the department of transportation; amending Minnesota Statutes 1988, sections 221.022; 221.025; and 221.031, by adding a subdivision.

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

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

Those who voted in the affirmative were:

Abrams	Frederick	Kostohryz	Omann	Scheid
Anderson, G.	Frerichs	Krueger	Onnen	Schreiber
Anderson, R.	Girard	Lasley	Orenstein	Seaberg
Battaglia	Greenfield	Lieder	Osthoff	Segal
Bauerly	Gruenes	Limmer	Ostrom	Simoneau
Beard	Gutknecht	Long	Otis	Skoglund
Begich	Hartle	Lynch	Ozment	Solberg
Bennett	Hasskamp	Macklin	Pappas	Sparby
Bertram	Haukoos	McDonald	Pauly	Stanius
Bishop	Heap	McEachern	Pellow	Steensma
Blatz	Henry	McGuire	Pelowski	Sviggum
Boo	Himle	McLaughlin	Peterson	Swenson
Brown	Hugoson	McPherson	Poppenhagen	Tjornhom
Burger	Jacobs	Milbert	Price	Tompkins
Carlson, D.	Janezich	Miller	Pugh	Trimble
Carlson, L.	Jaros	Morrison	Quinn	Tunheim
Carruthers	Jefferson	Munger	Redalen	Uphus
Clark	Jennings	Murphy	Reding	Valento
Conway	Johnson, A.	Nelson, C.	Rest	Vellenga
Cooper	Johnson, R.	Nelson, K.	Rice	Wagenius
Dauner	Johnson, V.	Neuenschwander	Richter	Waltman
Dawkins	Kahn	O'Connor	Rodosovich	Weaver
Dempsey	Kelly	Ogren	Rukavina	Welle
Dille	Kelso	Olsen, S.	Runbeck	Wenzel
Dorn	Kinkel	Olsen, E.	Sarna	Williams
Forsythe	Knickerbocker	Olson, K.	Schafer	Winter
				Wynia

The bill was passed and its title agreed to.

S. F. No. 180 was reported to the House.

Hugoson moved to amend S. F. No. 180, as follows:

Delete everything after the enacting clause and insert:

“Section 1. [5.22] [CONTEST OF REGISTRATION OF NAME.]

Subdivision 1. [NOTICE OF CONTEST; DEPOSIT.] A person doing business in this state may contest the subsequent registration of a name with the office of the secretary of state by filing an acknowledged notice of contest with the secretary of state and sending a copy of the notice of contest to the person who subsequently registered the contested name. The notice to the secretary of state must be accompanied by a \$100 deposit, which the secretary of state shall award to the prevailing party in the contest.

Subd. 2. [PROCEDURE.] (a) Upon receipt of a notice of contest, the secretary of state shall ask each party to the contest to submit within 30 days an affidavit setting forth the facts, opinions, and arguments for or against the retention of the contested name on the records of the secretary of state. The secretary of state shall review the affidavits and shall make a decision or order a hearing to be held within 30 days.

(b) If a hearing is ordered, the parties shall meet with the secretary of state before the hearing and attempt to settle the contest.

(c) If a settlement is not reached, the secretary of state shall hold a hearing. At the hearing, the secretary of state may consider evidence presented by the parties relating to the factual or legal issues raised by the contest. A record of the hearing is not required. The hearing is not a contested case hearing under chapter 14.

Subd. 3. [STANDARD OF REVIEW.] The secretary of state may order that the contested name be changed on the records of the secretary of state if it is likely that the use of the names will cause confusion, mistake, or deception among the public when applied to the goods or services provided by the businesses. In determining whether confusion, mistake, or deception is likely, the secretary of state shall consider:

- (1) the strength or unique nature of the names;
- (2) the similarity of sound, appearance, or meaning of the names;
- (3) the intent of the parties;
- (4) the type of businesses engaged in or to be engaged in by the parties;
- (5) the geographic market areas served by each party and the manner of distribution and marketing used in those areas;

(6) the nature and quality of goods or services provided by the parties;

(7) the level of sophistication of potential purchasers of goods or services offered by the parties;

(8) whether the party contesting the subsequent registration of a name failed to make a timely objection or acquiesced to the use of the name so that it would be inequitable to prohibit its registration; and

(9) whether the names in question are in fair use, have been abandoned, or are parodies of other names.

Subd. 4. [DECISION; ENFORCEMENT.] The secretary of state shall make a decision for one of the parties within ten days of the hearing and may order that the contested name be changed on the records of the office of the secretary of state and the relevant documents be amended by the secretary of state in a manner that results in a new name that is not the same as or deceptively similar to another name registered with the office of the secretary of state.

Subd. 5. [APPEAL.] A party may appeal the decision of the secretary of state to the district court within 20 days. The district court shall consider the factual and legal issues without reference to the decision of the secretary of state.

Subd. 6. [LIABILITY.] The office of the secretary of state is not liable for damages incurred as a result of the registration of a name found to be the same or deceptively similar to another name already registered with the office of the secretary of state. The office of the secretary of state is not liable for damages that arise from the decision of the secretary of state in a contest under this section.

Sec. 2. Minnesota Statutes 1988, section 300.025, is amended to read:

300.025 [ORGANIZATION OF FINANCIAL CORPORATIONS.]

(a) Three or more persons may form a corporation for any of the purposes specified in section 47.12 by applying to the department of commerce and complying with all applicable organizational requirements and the conditions set out in clauses (1) to (7). However, no corporation may be formed under this section if it may be formed under the Minnesota business corporation act. The incorporators must subscribe a certificate specifying:

(1) the corporation's name, which must distinguish it from all other corporations authorized to do business in this state, and must

contain the word "company," "corporation," "bank," "association," or "incorporated";

(2) the general nature of the corporation's business and its principal place of business;

(3) the period of its duration, if limited;

(4) the names and places of residence of the incorporators;

(5) the board in which the management of the corporation will be vested, the date of the annual meeting at which it will be elected, and the names and addresses of the board members until the first election, a majority of whom must always be residents of this state;

(6) the amount of capital stock, if any, how the capital stock is to be paid in, the number of shares into which it is to be divided, and the par value of each share; and, if there is to be more than one class, a description and the terms of issue of each class, and the method of voting on each class; and

(7) the highest amount of indebtedness or liability to which the corporation will at any time be subject.

The certificate may contain any other lawful provision defining and regulating the powers and business of the corporation, its officers, directors, trustees, members, and stockholders. However, a corporation subject to sections 48.27 and 51A.22, subdivision 2, may show its highest amount of indebtedness to be 30 times the amount of its capital and actual surplus.

(b) A person doing business in this state may contest the subsequent registration of a name with the office of the secretary of state as provided in section 1.

Sec. 3. Minnesota Statutes 1988, section 302A.115, subdivision 1, is amended to read:

Subdivision 1. [REQUIREMENTS; PROHIBITIONS.] The corporate name:

(a) Shall be in the English language or in any other language expressed in English letters or characters;

(b) Shall contain the word "corporation," "incorporated," or "limited," or shall contain an abbreviation of one or more of these words, or the word "company" or the abbreviation "Co." if that word or abbreviation is not immediately preceded by the word "and" or the character "&"

(c) Shall not contain a word or phrase that indicates or implies that it is incorporated for a purpose other than a legal business purpose;

(d) Shall ~~not be the same as, or deceptively similar to,~~ distinguishable upon the records in the office of the secretary of state from the name of a domestic corporation or limited partnership, whether profit or nonprofit, or a foreign corporation or limited partnership authorized or registered to do business in this state, whether profit or nonprofit, or a name the right to which is, at the time of incorporation, reserved or provided for in sections 302A.117, 322A.03, or 333.001 to 333.54, unless there is filed with the articles one of the following:

(1) The written consent of the domestic corporation or limited partnership or foreign corporation or limited partnership authorized or registered to do business in this state or the holder of a reserved name or a name filed by or registered with the secretary of state under sections 333.001 to 333.54 having ~~the same or a deceptively similar~~ a name which is not distinguishable;

(2) A certified copy of a final decree of a court in this state establishing the prior right of the applicant to the use of the name in this state; or

(3) The applicant's affidavit that the corporation or limited partnership with ~~the same or deceptively similar~~ name which is not distinguishable has been incorporated or on file in this state for at least three years prior to the affidavit, if it is a domestic corporation or limited partnership; or has been authorized or registered to do business in this state for at least three years prior to the affidavit, if it is a foreign corporation or limited partnership, or that the holder of a name filed or registered with the secretary of state under sections 333.001 to 333.54 filed or registered that name at least three years prior to the affidavit, and has not during the three-year period filed any document with the secretary of state; that the applicant has mailed written notice to the corporation or limited partnership or the holder of a name filed or registered with the secretary of state under sections 333.001 to 333.54 by certified mail, return receipt requested, properly addressed to the registered office of the corporation or in care of the agent of the limited partnership, or the address of the holder of a name filed or registered with the secretary of state under sections 333.001 to 333.54, shown in the records of the secretary of state, that the applicant intends to use ~~the same or deceptively similar~~ a name which is not distinguishable and the notice has been returned to the applicant as undeliverable to the addressee corporation or limited partnership or holder of a name filed or registered with the secretary of state under sections 333.001 to 333.54; that the applicant, after diligent inquiry, has been unable to find any telephone listing for the corporation or limited partnership with ~~the same or deceptively similar~~ name which is not

distinguishable in the county in which is located the registered office of the corporation shown in the records of the secretary of state or has been unable to find any telephone listing for the holder of a name filed or registered with the secretary of state under sections 333.001 to 333.54 in the county in which is located the address of the holder shown in the records of the secretary of state; and that the applicant has no knowledge that the corporation or limited partnership or holder of a name filed or registered with the secretary of state under sections 333.001 to 333.54 is currently engaged in business in this state.

Sec. 4. Minnesota Statutes 1988, section 302A.115, subdivision 3, is amended to read:

Subd. 3. [DETERMINATION.] The secretary of state shall determine whether a name is "~~deceptively similar~~" to "distinguishable" from another name for purposes of this section and section 302A.117.

Sec. 5. Minnesota Statutes 1988, section 302A.115, is amended by adding a subdivision to read:

Subd. 8. [CONTEST OF REGISTRATION OF NAME.] A person doing business in this state may contest the subsequent registration of a name with the office of the secretary of state as provided in section 1.

Sec. 6. Minnesota Statutes 1988, section 302A.117, subdivision 1, is amended to read:

Subdivision 1. [WHO MAY RESERVE.] The exclusive right to the use of a corporate name otherwise permitted by section 302A.115 may be reserved by:

(a) A person doing business in this state under that name or a name ~~deceptively similar to that name~~;

(b) A person intending to incorporate under this chapter;

(c) A domestic corporation intending to change its name;

(d) A foreign corporation intending to make application for a certificate of authority to transact business in this state;

(e) A foreign corporation authorized to transact business in this state and intending to change its name;

(f) A person intending to incorporate a foreign corporation and intending to have the foreign corporation make application for a certificate of authority to transact business in this state; or

(g) A foreign corporation doing business under that name or a name deceptively similar to that name in one or more states other than this state and not described in clauses (d), (e), or (f).

Sec. 7. Minnesota Statutes 1988, section 303.05, is amended by adding a subdivision to read:

Subd. 4. [CONTEST OF REGISTRATION OF NAME.] A person doing business in this state may contest the subsequent registration of a name with the office of the secretary of state as provided in section 1.

Sec. 8. Minnesota Statutes 1988, section 308.06, subdivision 2, is amended to read:

Subd. 2. The incorporators of a cooperative association under sections 308.05 to 308.18 shall sign written articles of incorporation, specifying (1) the name of the association, its purpose, and the principal place of transacting its business. Such name shall distinguish it from all other corporations, domestic or foreign assumed names, trade or service marks, limited partnerships or reserved corporate or limited partnership names, pursuant to the standards set forth in section 302A.115, doing business in the state upon the records in the office of the secretary of state from the name of a domestic corporation, whether profit or nonprofit, or limited partnership, or a foreign corporation of a limited partnership authorized or registered to do business in this state, whether profit or nonprofit, or a name the right to which is, at the time of incorporation, reserved or provided for in sections 302A.117, 322A.03, or 333.001 to 333.54 and shall be preserved to it during its corporate existence; (2) the period of its duration, which may be limited or perpetual; (3) if organized on a capital stock basis the total authorized number of shares and the par value of each share; a description of the classes of shares, if the shares are to be classified; a statement of the number of shares in each class and relative rights, preferences, and restrictions granted to or imposed upon the shares of each class, and a provision that only common stockholders shall have voting power; (4) that individuals owning common stock shall be restricted to one vote in the affairs of the association; (5) that shares of stock shall be transferable only with the approval of the board of directors of the association; (6) that dividends upon capital stock of the association shall not exceed eight percent annually; (7) the names, post office addresses, and terms of office of the first directors; and (8) that net income in excess of dividends and additions to reserves shall be distributed on the basis of patronage, and that the records of the association may show the interest of patrons, stockholders of any classes, and members in the reserves. The articles of incorporation shall always contain the provisions above required and may contain any other lawful provision; except that the names, post office addresses, and terms of offices of the first directors may be omitted after their successors have been elected by the stockholders or when

the articles are amended in their entirety. Cooperative associations may be incorporated for any of the purposes for which an association may also be formed upon a membership basis and without capital stock. Such associations organized on a capital stock basis may be organized, and shall have the same powers and authority as are conferred upon such associations, and the articles of incorporation of any such nonstock associations shall contain the provisions required in the articles of incorporation of an association organized upon a capital stock basis whenever the same are applicable to an association organized upon a membership basis. Except as provided for by section 308.07, subdivision 4, no member of an association organized upon a membership basis shall have more than one vote, and a membership shall be transferable only with the consent and approval of the board of directors of the association. Holders of shares of common stock which entitle the holder thereof to vote, shall be deemed to be members of associations organized on a capital stock basis. As used in sections 308.05 to 308.18, "stockholder," unless otherwise specified, means and includes only a holder of a share of common stock which entitles the holder thereof to vote.

Sec. 9. Minnesota Statutes 1988, section 308.06, is amended by adding a subdivision to read:

Subd. 5. [CONTEST OF REGISTRATION OF NAME.] A person doing business in this state may contest the subsequent registration of a name with the office of the secretary of state as provided in section 1.

Sec. 10. If S.F. No. 848 is enacted in the 1989 legislative session, Minnesota Statutes, section 308.06, subdivision 5, as amended by section 9 of this act, is repealed and S.F. No. 848, article 1, section 8, is amended by adding a subdivision to read:

Subd. 3. [CONTEST OF REGISTRATION OF NAME.] A person doing business in this state may contest the subsequent registration of a name with the office of the secretary of state as provided in section 1.

Sec. 11. Minnesota Statutes 1988, section 317.09, subdivision 2, is amended to read:

Subd. 2. [USE OF SIMILAR NAME FORBIDDEN.] The corporate name shall not be the same as, nor deceptively similar to, distinguishable from the name of any assumed name, trade or service mark, or limited partnership, or domestic corporation, whether profit or nonprofit, or of any foreign corporation or foreign limited partnership, whether profit or nonprofit, authorized or registered to do business in this state or to any name reserved under section 302A.117 or 322A.03, unless there is filed with the articles a written consent, court decree of prior right, or affidavit of nonuse of the kind required by section 302A.115, subdivision 1, paragraph (d).

The secretary of state shall determine whether a name is "~~deceptively similar~~" "distinguishable" from to another name for purposes of this section. This section does not abrogate or limit the law of unfair competition or unfair practices, nor sections 333.001 to 333.54, nor the laws of the United States with respect to the right to acquire and protect copyrights, trademarks, service names, service marks, or any other rights to the exclusive use of names or symbols, nor derogate the common law or principles of equity.

Sec. 12. Minnesota Statutes 1988, section 317.09, is amended by adding a subdivision to read:

Subd. 4. [CONTEST OF REGISTRATION OF NAME.] A person doing business in this state may contest the subsequent registration of a name with the office of the secretary of state as provided in section 1.

Sec. 13. If S.F. No. 525 is enacted in the 1989 legislative session, Minnesota Statutes, section 317.09, subdivision 4, as amended by section 12 of this act, is repealed and S.F. No. 525, section 12, is amended by adding a subdivision to read:

Subd. 6. [CONTEST OF REGISTRATION OF NAME.] A person doing business in this state may contest the subsequent registration of a name with the office of the secretary of state as provided in section 1.

Sec. 14. Minnesota Statutes 1988, section 322A.02, is amended to read:

322A.02 [NAME.]

(a) The name of each limited partnership as set forth in its certificate of limited partnership:

(1) shall contain without abbreviation the words "limited partnership";

(2) may not contain the name of a limited partner unless (i) it is also the name of a general partner or the corporate name of a corporate general partner, or (ii) the business of the limited partnership had been carried on under that name before the admission of that limited partner;

(3) may not shall be the same as, or deceptively similar to, distinguishable from the name of a domestic corporation or limited partnership, whether profit or nonprofit, or a foreign corporation or limited partnership authorized or registered to do business in this state, whether profit or nonprofit, or a name the right to which is reserved or provided for in the manner provided for in sections

302A.117, 322A.03, or 333.001 to 333.54, unless there is filed with the certificate a written consent, court decree of prior right, or affidavit of nonuse, of the kind required by section 302A.115, subdivision 1, paragraph (d); and

(4) may not contain the following words: corporation, incorporated.

The secretary of state shall determine whether a name is "~~deceptively similar~~" to "distinguishable" from another name for purposes of this section and section 322A.03. This section does not abrogate or limit the law of unfair competition or unfair practices, nor sections 333.001 to 333.54, nor the laws of the United States with respect to the right to acquire and protect copyrights, trademarks, service names, service marks, or any other rights to the exclusive use of names or symbols, nor derogate the common law or principles of equity.

(b) A person doing business in this state may contest the subsequent registration of a name with the office of the secretary of state as provided in section 1.

Sec. 15. Minnesota Statutes 1988, section 322A.72, is amended to read:

322A.72 [NAME.]

(a) A foreign limited partnership may register with the secretary of state under any name (whether or not it is the name under which it is registered in its state of organization) that includes without abbreviation the words "limited partnership" and that could be registered by a domestic limited partnership.

(b) A person doing business in this state may contest the subsequent registration of a name with the office of the secretary of state as provided in section 1.

Sec. 16. Minnesota Statutes 1988, section 333.055, subdivision 4, is amended to read:

Subd. 4. The secretary of state shall accept for filing all certificates and renewals thereof which comply with the provisions of sections 333.001 to 333.06 and which are accompanied by the prescribed fees, notwithstanding the fact that the assumed name disclosed therein ~~may be the same as, or similar to,~~ not be distinguishable from one or more other assumed names already filed with the secretary of state. In the event of duplication or similarity, the secretary of state shall, within 20 days after the filing, notify in writing each previously filed business holding a certificate for the assumed name or a similar assumed name, of the duplication or similarity, including in the notice the name and last known address

of the person so filing. The secretary of state shall not accept for filing a certificate that discloses an assumed name that is the same as, or ~~deceptively similar to, not distinguishable from~~ a corporate, or limited partnership name in use or reserved in this state by another or a trade or service mark registered with the secretary of state, unless there is filed with the certificate a written consent, court decree of prior right, or affidavit of nonuser of the kind required by section 302A.115, subdivision 1, clause (d). The secretary of state shall determine whether a name is "~~deceptively similar~~" to distinguishable from another name for purposes of this subdivision."

Delete the title and insert:

"A bill for an act relating to commerce; regulating the use of names for certain business entities; providing a procedure for contesting the registration of a name; amending Minnesota Statutes 1988, sections 300.025; 302A.115, subdivisions 1, 3, and by adding a subdivision; 302A.117, subdivision 1; 303.05, by adding a subdivision; 308.06, subdivision 2, and by adding a subdivision; 317.09, subdivision 2, and by adding a subdivision; 322A.02; 322A.72; and 333.055, subdivision 4; proposing coding for new law in Minnesota Statutes, chapter 5."

The motion prevailed and the amendment was adopted.

S. F. No. 180, A bill for an act relating to the office of the secretary of state; establishing a procedure for contesting the registration of a corporation, limited partnership, or assumed name, or a trade or service mark with the secretary of state; providing that the office of the secretary of state is not liable for registrations; amending Minnesota Statutes 1988, sections 300.025; 302A.115, by adding a subdivision; 303.05, by adding a subdivision; 308.06, by adding a subdivision; 317.09, by adding a subdivision; 322A.02; 322A.72; 1989 S.F. No. 525, section 12, by adding a subdivision; S.F. No. 848, article 1, section 8, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapter 5.

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

The question was taken on the passage of the bill and the roll was called. There were 131 yeas and 1 nay as follows:

Those who voted in the affirmative were:

Abrams	Begich	Brown	Conway	Dorn
Anderson, G.	Bennett	Burger	Cooper	Forsythe
Anderson, R.	Bertram	Carlson, D.	Dauner	Frederick
Battaglia	Bishop	Carlson, L.	Dawkins	Frerichs
Bauerly	Blatz	Carruthers	Dempsey	Girard
Beard	Boo	Clark	Dille	Greenfield

Gruenes	Kinkel	Nelson, C.	Poppenhagen	Solberg
Gutknecht	Knickerbocker	Nelson, K.	Price	Sparby
Hartle	Kostohryz	Neuenschwander	Pugh	Stanius
Hasskamp	Krueger	O'Connor	Quinn	Steensma
Haukoos	Lasley	Ogren	Redalen	Sviggum
Heap	Lieder	Olsen, S.	Reding	Swenson
Henry	Limmer	Olson, E.	Rest	Tjornhom
Himle	Long	Olson, K.	Rice	Tompkins
Hugoson	Lynch	Omann	Richter	Trimble
Jacobs	Macklin	Onnen	Rodosovich	Tunheim
Janezich	Marsh	Orenstein	Rukavina	Uphus
Jaros	McDonald	Osthoff	Runbeck	Valento
Jefferson	McEachern	Ostrom	Sarna	Vellenga
Jennings	McGuire	Otis	Schafer	Wagenius
Johnson, A.	McLaughlin	Ozment	Scheid	Waltman
Johnson, R.	McPherson	Pappas	Schreiber	Weaver
Johnson, V.	Miller	Pauly	Seaberg	Welle
Kahn	Morrison	Pellow	Segal	Wenzel
Kelly	Munger	Pelowski	Simoneau	Williams
Kelso	Murphy	Peterson	Skoglund	Winter
				Wynia

Those who voted in the negative were:

Milbert

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

S. F. No. 590 was reported to the House.

Welle moved that S. F. No. 590 be temporarily laid over on Special Orders. The motion prevailed.

S. F. No. 486 was reported to the House.

Rest moved that S. F. No. 486 be continued on Special Orders. The motion prevailed.

S. F. No. 783 was reported to the House.

Simoneau moved that S. F. No. 783 be returned to General Orders. The motion prevailed.

S. F. No. 583, A bill for an act relating to agriculture; regulating the manufacture of cultured dairy food; requiring pasteurization for certain dairy products; amending Minnesota Statutes 1988, section 32.486, subdivision 1, and by adding a subdivision.

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

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

Those who voted in the affirmative were:

Abrams	Frerichs	Lasley	Orenstein	Segal
Anderson, G.	Girard	Lieder	Osthoff	Simoneau
Anderson, R.	Greenfield	Limmer	Ostrom	Skoglund
Battaglia	Gruenes	Long	Otis	Solberg
Bauerly	Gutknecht	Lynch	Ozment	Sparby
Beard	Hartle	Macklin	Pappas	Stanius
Begich	Hasskamp	Marsh	Pauly	Steensma
Bennett	Haukoos	McDonald	Pellow	Sviggum
Bertram	Heap	McEachern	Pelowski	Swenson
Bishop	Henry	McGuire	Peterson	Tjornhom
Blatz	Himle	McLaughlin	Poppenhagen	Tompkins
Boo	Hugoson	McPherson	Price	Trimble
Brown	Jacobs	Milbert	Pugh	Tunheim
Burger	Janezich	Miller	Quinn	Uphus
Carlson, D.	Jaros	Morrison	Redalen	Valento
Carlson, L.	Jefferson	Munger	Reding	Vellenga
Carruthers	Jennings	Murphy	Rest	Wagenius
Clark	Johnson, A.	Nelson, C.	Rice	Waltman
Conway	Johnson, R.	Nelson, K.	Richter	Weaver
Cooper	Johnson, V.	Neuenschwander	Rodosovich	Welle
Dauner	Kahn	O'Connor	Rukavina	Wenzel
Dawkins	Kelly	Ogren	Runbeck	Williams
Dempsey	Kelso	Olsen, S.	Sarna	Winter
Dille	Kinkel	Olson, E.	Schafer	Wynia
Dorn	Knickerbocker	Olson, K.	Scheid	
Forsythe	Kostohryz	Omann	Schreiber	
Frederick	Krueger	Onnen	Seaberg	

The bill was passed and its title agreed to.

S. F. No. 590 which was temporarily laid over earlier today was again reported to the House.

S. F. No. 590, A bill for an act relating to veterans; requiring corrections officials to consider the fact that a veteran inmate suffers from posttraumatic stress disorder in the preparation of the inmate's corrections plan; proposing coding for new law in Minnesota Statutes, chapter 243.

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	Bauerly	Bertram	Brown	Carruthers
Anderson, G.	Beard	Bishop	Burger	Clark
Anderson, R.	Begich	Blatz	Carlson, D.	Conway
Battaglia	Bennett	Boo	Carlson, L.	Cooper

Dauner	Jennings	Milbert	Pelowski	Sparby
Dawkins	Johnson, A.	Miller	Peterson	Stanius
Dempsey	Johnson, R.	Morrison	Poppenhagen	Steensma
Dille	Johnson, V.	Munger	Price	Svigum
Dorn	Kahn	Murphy	Pugh	Swenson
Forsythe	Kelly	Nelson, C.	Quinn	Tjornhom
Frederick	Kelso	Nelson, K.	Redalen	Tompkins
Frerichs	Kinkel	Neuenschwander	Reding	Trimble
Girard	Knickerbocker	O'Connor	Rest	Tunheim
Greenfield	Kostobryz	Ogren	Rice	Uphus
Gruenes	Krueger	Olsen, S.	Richter	Valento
Gutknecht	Lasley	Olson, E.	Rodosovich	Vellenga
Hartle	Lieder	Olson, K.	Rukavina	Wagenius
Hasskamp	Limmer	Omann	Runbeck	Waltman
Haukoos	Long	Onnen	Sarna	Weaver
Heap	Lynch	Orenstein	Schafer	Welle
Henry	Macklin	Osthoff	Scheid	Wenzel
Himle	Marsh	Ostrom	Schreiber	Williams
Hugoson	McDonald	Otis	Seaberg	Winter
Jacobs	McEachern	Ozment	Segal	Wynia
Janezich	McGuire	Pappas	Simoneau	
Jaros	McLaughlin	Pauly	Skoglund	
Jefferson	McPherson	Pellow	Solberg	

The bill was passed and its title agreed to.

H. F. No. 950 was reported to the House.

Orenstein moved to amend H. F. No. 950, the first engrossment, as follows:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1988, section 363.01, subdivision 25, is amended to read:

Subd. 25. [DISABILITY.] "Disability" means any condition or characteristic that renders a person a disabled person. A disabled person is any person who (1) has a physical, sensory, or mental impairment which substantially materially limits one or more major life activities; (2) has a record of such an impairment; or (3) is regarded as having such an impairment.

Sec. 2. Minnesota Statutes 1988, section 363.01, subdivision 25a, is amended to read:

Subd. 25a. [QUALIFIED DISABLED PERSON.] "Qualified disabled person" means:

(1) with respect to employment, a disabled person who, with reasonable accommodation, can perform the essential functions required of all applicants for the job in question; and

(2) with respect to services and programs, a disabled person who,

with physical and program access, meets the essential eligibility criteria required of all applicants for the program or service in question.

For the purposes of this subdivision, "disability" excludes any condition resulting from alcohol or drug abuse which prevents a person from performing the essential functions of the job in question or constitutes a direct threat to property or the safety of others.

If a respondent contends that the person is not a qualified disabled person, the burden is on the respondent to prove that it was reasonable to conclude the disabled person, with reasonable accommodation, could not have met the requirements of the job or that the selected person was demonstrably better able to perform the job.

Sec. 3. Minnesota Statutes 1988, section 363.01, subdivision 31, is amended to read:

Subd. 31. [FAMILIAL STATUS.] "Familial status" means the condition of one or more minors being domiciled with (a) their parent or parents or the minor's legal guardian or (b) the designee of the parent or parents or guardian with the written permission of the parent or parents or guardian. The protections afforded against discrimination on the basis of family status apply to any person who is pregnant or is in the process of securing legal custody of an individual who has not attained the age of majority.

Sec. 4. Minnesota Statutes 1988, section 363.02, subdivision 1, is amended to read:

Subdivision 1. [EMPLOYMENT.] The provisions of section 363.03, subdivision 1, shall not apply to:

(1) The employment of any individual

(a) by the individual's parent, grandparent, spouse, child, or grandchild, or

(b) in the domestic service of any person;

(2) A religious or fraternal corporation, association, or society, with respect to qualifications based on religion, when religion shall be a bona fide occupational qualification for employment;

(3) The employment of one person in place of another, standing by itself, shall not be evidence of an unfair discriminatory practice;

(4) The operation of a bona fide seniority system which mandates differences in such things as wages, hiring priorities, layoff priorities, vacation credit, and job assignments based on seniority, so long

as the operation of the system is not a subterfuge to evade the provisions of this chapter;

(5) With respect to age discrimination, a practice by which a labor organization or employer offers or supplies varying insurance benefits or other fringe benefits to members or employees of differing ages, so long as the cost to the labor organization or employer for the benefits is reasonably equivalent for all members or employees;

(6) A restriction imposed by state statute, home rule charter, ordinance, or civil service rule, and applied uniformly and without exception to all individuals, which establishes a maximum age for entry into employment as a peace officer or firefighter.

(7) Nothing in this chapter concerning age discrimination shall be construed to validate or permit age requirements which have a disproportionate impact on persons of any class otherwise protected by section 363.03, subdivision 1 or 5.

(8) It is not an unfair employment practice for an employer, employment agency, or labor organization:

(i) to require or request a person to undergo physical examination, which may include a medical history, for the purpose of determining the person's capability to perform available employment, provided (a) that an offer of employment has been made on condition that the person meets the physical or mental requirements of the job; (b) that the examination tests only for essential job-related abilities; and (c) that the examination except for examinations authorized under chapter 176 is required of all persons conditionally offered employment for the same position regardless of disability; or

(ii) with the consent of the employee, to obtain additional medical information for the purposes of establishing an employee health record;

(iii) to administer preemployment tests, provided that the tests (a) measure only essential job-related abilities, (b) are required of all applicants for the same position regardless of disability except for tests authorized under chapter 176, and (c) accurately measure the applicant's aptitude, achievement level, or whatever factors they purport to measure rather than reflecting the applicant's impaired sensory, manual, or speaking skills except when those skills are the factors that the tests purport to measure; or

(iv) to limit receipt of benefits payable under a fringe benefit plan for disabilities to that period of time which a licensed physician reasonably determines a person is unable to work; or

(v) to provide special safety considerations for pregnant women

involved in tasks which are potentially hazardous to the health of the unborn child, as determined by medical criteria.

Sec. 5. Minnesota Statutes 1988, section 363.02, subdivision 2, is amended to read:

Subd. 2. [HOUSING.] (1) The provisions of section 363.03, subdivision 2, shall not apply to:

(a) rooms in a temporary or permanent residence home run by a nonprofit organization, if the discrimination is by sex; or

(b) the rental by a resident owner or occupier of a one-family accommodation of a room or rooms in the accommodation to another person or persons if the discrimination is by sex, marital status, status with regard to public assistance or disability. ~~Nothing in this chapter shall be construed to require any~~ Except as provided elsewhere in this chapter or other state or federal law, no person or group of persons selling, renting, or leasing property is required to modify the property in any way, or exercise a higher degree of care for a person having a disability than for a person who does not have a disability; nor shall this chapter be construed to relieve any person or persons of any obligations generally imposed on all persons regardless of any disability in a written lease, rental agreement, or contract of purchase or sale, or to forbid distinctions based on the inability to fulfill the terms and conditions, including financial obligations of the lease, agreement or contract.

(2) The provisions of section 363.03, subdivision 2, prohibiting discrimination because of familial status shall not be construed to defeat the applicability of any local, state or federal restrictions regarding the maximum number of occupants permitted to occupy a dwelling unit and shall not apply to:

(a) ~~any unoccupied dwelling unit in one building of a housing complex consisting of two buildings or, in a housing complex consisting of three or more buildings, any unoccupied dwelling unit in up to one-third of all buildings in the housing complex. For the purposes of this clause, "housing complex" means a group of buildings each containing five or more units on a contiguous parcel of land owned by the same person; a building shall not be exempt from section 363.03, subdivision 2, pursuant to this clause unless the owner has filed an election to designate the building as exempt with the commissioner; an election made by an owner pursuant to this clause may not be withdrawn for purposes of designating another building in the housing complex as exempt for a period of one year from the filing of the election; or~~

(b) ~~any unit in a condominium created prior to April 12, 1980, any unit in a condominium, other than a condominium converted from a residential building, created on or after April 12, 1980, and any unit~~

in an adults-only condominium created from an existing adults-only rental building on or after April 12, 1980; or

(e) an unoccupied dwelling unit in any building in which at least a majority of the dwelling units are occupied by elderly persons or are unoccupied and available for occupancy solely by households of which at least one member is an elderly person; or

(d) any owner occupied building containing four or fewer dwelling units; or

(e) an unoccupied dwelling unit in any building which is the subject of a valid certificate filed with the commissioner pursuant to the provisions of this clause. To be valid, a certificate must be on a form provided by the commissioner, be received by the commissioner, state that on the date that the certificate is received by the commissioner at least a majority of the dwelling units in the building are occupied by elderly persons or are unoccupied and available for occupancy solely by households of which at least one member is an elderly person, state that on the date that the certificate is received by the commissioner there is on file with the owner of the building or a specified duly authorized agent of the owner for each occupied unit relied upon in support of the certificate a signed statement by an elderly person occupying the unit on the date that the certificate is received by the commissioner that the person is an elderly person, state that for a period of 180 days following the receipt of the certificate by the commissioner the owner or duly authorized agent will preserve the signed statements of the elderly persons and will, upon request, make the statements available for inspection by the commissioner or by any local commission having jurisdiction over the building, be signed by the owner or the duly authorized agent, and be in all respects true and accurate. A valid certificate shall remain valid for a period of 180 days following the date on which it is received by the commissioner. Any owner or authorized agent who files a certificate containing statements or information that the owner or authorized agent knows or should reasonably know to be false shall be guilty of a misdemeanor;

(f) any unoccupied dwelling unit of up to one-third of the units in a building that is not part of a multibuilding complex; or

(g) any dwelling unit in a building owned by a cooperative apartment corporation, other than a building converted from a residential rental building to a cooperative apartment corporation building on or after April 12, 1980, unless that conversion was from an existing adults-only residential rental building.

(b) housing for elderly persons. "Housing for elderly persons" means housing:

(i) provided under any state or federal program that the commissioner determines is specifically designed and operated to assist elderly persons, as defined in the state or federal program;

(ii) intended for, and solely occupied by, persons 62 years of age or older; or

(iii) intended and operated for occupancy by at least one person 55 years of age or older per unit, provided that:

(A) there are significant facilities and services specifically designed to meet the physical or social needs of older persons, or if the provision of these facilities and services is not practicable, that the housing is necessary to provide important housing opportunities for older persons;

(B) at least 80 percent of the units are occupied by at least one person 55 years of age or older per unit; and

(C) there is publication of, and adherence to, policies and procedures that demonstrate an intent by the owner or manager to provide housing for persons 55 years of age or older.

Housing does not fail to meet the requirements for housing for elderly persons by reason of persons residing in the housing as of the effective date of this act who do not meet the age requirements of clauses (b)(i) and (b)(iii) if new occupants of the housing meet the age requirements of clause (b)(ii) or (b)(iii). In addition, housing does not fail to meet the requirements by reason of unoccupied units if unoccupied units are reserved for occupancy by persons who meet the age requirements of clause (b)(ii) or (b)(iii).

Sec. 6. Minnesota Statutes 1988, section 363.02, subdivision 2a, is amended to read:

Subd. 2a. [MANUFACTURED HOME PARKS.] The provisions of subdivision 2, prohibiting discrimination because of familial status:

(1) do not apply to a manufactured home park the majority of whose lots are reserved by park rule to households containing at least one elderly person; and

(2) do not apply to a section or sections of a manufactured home park which are identified by park rule and do not comprise more than one-third of the lots in the park. In order to qualify for exemption under this subdivision, A park owner must comply with section 327C.02, subdivision 2, 327C.05, or 327C.07, subdivision 4, when adopting or amending a rule concerning the permitted familial status of residents or of buyers of homes offered for in park sale.

Sec. 7. Minnesota Statutes 1988, section 363.02, subdivision 2b, is amended to read:

Subd. 2b. [EVICTON DUE TO FAMILIAL STATUS.] The provisions of section 363.03, subdivision 2, prohibiting discrimination because of familial status, do not apply to eviction from, or denial of continuing tenancy in, dwelling units exempt through certification under this section, provided that (1) one year has elapsed from the commencement of the familial status and (2) six months prior written notice has been given to the tenant, unless the eviction or denial of continuing tenancy is for nonpayment of rent, damage to the premises, disturbance of other tenants, or other breach of the lease.

Sec. 8. Minnesota Statutes 1988, section 363.02, subdivision 6, is amended to read:

Subd. 6. [AGE.] By law or published retirement policy, a mandatory retirement age may be established without being a violation of this chapter if it is established consistent with section 181.81. Nothing in this chapter nor in section 181.81 shall prohibit employee pension and retirement plans from granting pension credit to employees over the age of 65 at a lesser rate than is granted to other employees, provided that in no event may an employee's accumulated pension credits be reduced by continued employment, and further provided that no other state or federal law is violated by the reduced rate of pension credit accrual. Nothing in this chapter shall be construed to prohibit the establishment of differential privileges, benefits, services or facilities for persons of designated ages if (a) such differential treatment is provided pursuant to statute, or (b) the designated age is greater than 59 years or less than 21 years. Clause (b) does not apply to hiring, tenure, compensation, upgrading, or conditions of employment.

Sec. 9. Minnesota Statutes 1988, section 363.03, subdivision 1, is amended to read:

Subdivision 1. [EMPLOYMENT.] Except when based on a bona fide occupational qualification, it is an unfair employment practice:

(1) For a labor organization, because of race, color, creed, religion, national origin, sex, marital status, status with regard to public assistance, disability, or age,

(a) to deny full and equal membership rights to a person seeking membership or to a member;

(b) to expel a member from membership;

(c) to discriminate against a person seeking membership or a

member with respect to hiring, apprenticeship, tenure, compensation, terms, upgrading, conditions, facilities, or privileges of employment; or

(d) to fail to classify properly, or refer for employment or otherwise to discriminate against a person or member.

(2) For an employer, because of race, color, creed, religion, national origin, sex, marital status, status with regard to public assistance, membership or activity in a local commission, disability, or age,

(a) to refuse to hire or to maintain a system of employment which unreasonably excludes a person seeking employment; or

(b) to discharge an employee; or

(c) to discriminate against a person with respect to hiring, tenure, compensation, terms, upgrading, conditions, facilities, or privileges of employment.

(3) For an employment agency, because of race, color, creed, religion, national origin, sex, marital status, status with regard to public assistance, disability, or age,

(a) to refuse or fail to accept, register, classify properly, or refer for employment or otherwise to discriminate against a person; or

(b) to comply with a request from an employer for referral of applicants for employment if the request indicates directly or indirectly that the employer fails to comply with the provisions of this chapter.

(4) For an employer, employment agency, or labor organization, before a person is employed by an employer or admitted to membership in a labor organization, to

(a) require the person to furnish information that pertains to race, color, creed, religion, national origin, sex, marital status, status with regard to public assistance or, disability, or age; or, subject to section 363.02, subdivision 1, to require or request a person to undergo physical examination; unless, for the sole and exclusive purpose of national security, information pertaining to national origin is required by the United States, this state or a political subdivision or agency of the United States or this state, or for the sole and exclusive purpose of compliance with the public contracts act or any rule, regulation, or laws of the United States or of this state requiring the information pertaining to race, color, creed, religion, national origin, sex, marital status, status with regard to public assistance or disability is required by the United States or a political subdivision or agency of the United States or examination; or

(b) seek and obtain for purposes of making a job decision, information from any source that pertains to the person's race, color, creed, religion, national origin, sex, marital status, status with regard to public assistance, disability, or age, unless for the sole and exclusive purpose of compliance with the public contracts act or any rule, regulation, or laws of the United States or of this state requiring the information; or

(c) cause to be printed or published a notice or advertisement that relates to employment or membership and discloses a preference, limitation, specification, or discrimination based on race, color, creed, religion, national origin, sex, marital status, status with regard to public assistance, disability, or age.

Any individual who is required to provide information that is prohibited by this subdivision is an aggrieved party under section 363.06.

(5) For an employer, an employment agency or a labor organization, with respect to all employment related purposes, including receipt of benefits under fringe benefit programs, not to treat women affected by pregnancy, childbirth, or disabilities related to pregnancy or childbirth, the same as other persons who are not so affected but who are similar in their ability or inability to work.

(6) For an employer with 50 or more permanent, full-time employees, an employment agency or a labor organization, not to make reasonable accommodation to the known disability of a qualified disabled person or job applicant unless the employer, agency, or organization can demonstrate that the accommodation would impose an undue hardship on the business, agency, or organization. "Reasonable accommodation" means steps which must be taken to accommodate the known physical or mental limitations of a qualified disabled person. "Reasonable accommodation" may include but is not limited to, nor does it necessarily require: (a) making facilities readily accessible to and usable by disabled persons; and (b) job restructuring, modified work schedules that do not reduce the total number of hours normally worked, acquisition or modification of equipment or devices, and the provision of aides on a temporary or periodic basis.

In determining whether an accommodation would impose an undue hardship on the operation of a business or organization, factors to be considered include:

(a) the overall size of the business or organization with respect to number of employees or members and the number and type of facilities;

(b) the type of the operation, including the composition and

structure of the work force, and the number of employees at the location where the employment would occur;

(c) the nature and cost of the needed accommodation;

(d) the reasonable ability to finance the accommodation at each site of business; and

(e) documented good faith efforts to explore less restrictive or less expensive alternatives, including consultation with the disabled person or with knowledgeable disabled persons or organizations.

A prospective employer need not pay for an accommodation for a job applicant if it is available from an alternative source without cost to the employer or applicant.

Sec. 10. Minnesota Statutes 1988, section 363.03, is amended by adding a subdivision to read:

Subd. 1a. [DISCLOSURE OF MEDICAL INFORMATION.] If any health care records or medical information adversely affects any employment decision concerning an applicant or employee, the employer must notify the affected party of that information within ten days of the final decision.

Sec. 11. Minnesota Statutes 1988, section 363.03, subdivision 2, is amended to read:

Subd. 2. [REAL PROPERTY.] It is an unfair discriminatory practice:

(1) For an owner, lessee, sublessee, assignee, or managing agent of, or other person having the right to sell, rent or lease any real property, or any agent of any of these:

(a) to refuse to sell, rent, or lease or otherwise deny to or withhold from any person or group of persons any real property because of race, color, creed, religion, national origin, sex, marital status, status with regard to public assistance, disability, or familial status; or

(b) to discriminate against any person or group of persons because of race, color, creed, religion, national origin, sex, marital status, status with regard to public assistance, disability, or familial status in the terms, conditions or privileges of the sale, rental or lease of any real property or in the furnishing of facilities or services in connection therewith, except that nothing in this clause shall be construed to prohibit the adoption of reasonable rules intended to protect the safety of minors in their use of the real property or any facilities or services furnished in connection therewith; or

(c) in any transaction involving real property, to print, circulate or post or cause to be printed, circulated, or posted any advertisement or sign, or use any form of application for the purchase, rental or lease of real property, or make any record or inquiry in connection with the prospective purchase, rental, or lease of real property which expresses, directly or indirectly, any limitation, specification, or discrimination as to race, color, creed, religion, national origin, sex, marital status, status with regard to public assistance, disability, or familial status, or any intent to make any such limitation, specification, or discrimination except that nothing in this clause shall be construed to prohibit the advertisement of a dwelling unit as available to adults-only if the person placing the advertisement reasonably believes that the provisions of this subdivision prohibiting discrimination because of familial status do not apply to the dwelling unit.

(2) For a real estate broker, real estate salesperson, or employee, or agent thereof:

(a) to refuse to sell, rent, or lease or to offer for sale, rental, or lease any real property to any person or group of persons or to negotiate for the sale, rental, or lease of any real property to any person or group of persons because of race, color, creed, religion, national origin, sex, marital status, status with regard to public assistance, disability, or familial status or represent that real property is not available for inspection, sale, rental, or lease when in fact it is so available, or otherwise deny or withhold any real property or any facilities of real property to or from any person or group of persons because of race, color, creed, religion, national origin, sex, marital status, status with regard to public assistance, disability, or familial status; or

(b) to discriminate against any person because of race, color, creed, religion, national origin, sex, marital status, status with regard to public assistance, disability, or familial status in the terms, conditions or privileges of the sale, rental or lease of real property or in the furnishing of facilities or services in connection therewith; or

(c) to print, circulate, or post or cause to be printed, circulated, or posted any advertisement or sign, or use any form of application for the purchase, rental, or lease of any real property or make any record or inquiry in connection with the prospective purchase, rental or lease of any real property, which expresses directly or indirectly, any limitation, specification or discrimination as to race, color, creed, religion, national origin, sex, marital status, status with regard to public assistance, disability, or familial status or any intent to make any such limitation, specification, or discrimination except that nothing in this clause shall be construed to prohibit the advertisement of a dwelling unit as available to adults-only if the person placing the advertisement reasonably believes that the provisions of

this subdivision prohibiting discrimination because of familial status do not apply to the dwelling unit.

(3) For a person, bank, banking organization, mortgage company, insurance company, or other financial institution or lender to whom application is made for financial assistance for the purchase, lease, acquisition, construction, rehabilitation, repair or maintenance of any real property or any agent or employee thereof:

(a) to discriminate against any person or group of persons because of race, color, creed, religion, national origin, sex, marital status, status with regard to public assistance, disability, or familial status of the person or group of persons or of the prospective occupants or tenants of the real property in the granting, withholding, extending, modifying or renewing, or in the rates, terms, conditions, or privileges of the financial assistance or in the extension of services in connection therewith; or

(b) to use any form of application for the financial assistance or make any record or inquiry in connection with applications for the financial assistance which expresses, directly or indirectly, any limitation, specification, or discrimination as to race, color, creed, religion, national origin, sex, marital status, status with regard to public assistance, disability, or familial status or any intent to make any such limitation, specification, or discrimination; or

(c) to discriminate against any person or group of persons who desire to purchase, lease, acquire, construct, rehabilitate, repair, or maintain real property in a specific urban or rural area or any part thereof solely because of the social, economic, or environmental conditions of the area in the granting, withholding, extending, modifying, or renewing, or in the rates, terms, conditions, or privileges of the financial assistance or in the extension of services in connection therewith.

(4) For any real estate broker or real estate salesperson, for the purpose of inducing a real property transaction from which the person, the person's firm, or any of its members may benefit financially, to represent that a change has occurred or will or may occur in the composition with respect to race, creed, color, national origin, sex, marital status, status with regard to public assistance, or disability of the owners or occupants in the block, neighborhood, or area in which the real property is located, and to represent, directly or indirectly, that this change will or may result in undesirable consequences in the block, neighborhood, or area in which the real property is located, including but not limited to the lowering of property values, an increase in criminal or antisocial behavior, or a decline in the quality of schools or other public facilities.

(5) For a person to deny a totally or partially blind, physically handicapped, or deaf person with a service dog full and equal access

to real property provided for in this section. The person may not be required to pay extra compensation for the service dog but is liable for damage done to the premises by the service dog.

(6) For a home improvement, repair, or maintenance business to discriminate in terms, conditions, or extension of services against any person or group of persons who desire to rehabilitate, repair, or maintain real property in a specific urban or rural area or any part of the area because of the social or economic conditions of the area.

Notwithstanding the provisions of any law, ordinance, or home rule charter to the contrary, no person shall be deemed to have committed an unfair discriminatory practice based upon age if the unfair discriminatory practice alleged is attempted or accomplished for the purpose of obtaining or maintaining one of the exemptions provided for a dwelling unit provided for in section 363.02, subdivision 2.

Sec. 12. Minnesota Statutes 1988, section 363.03, is amended by adding a subdivision to read:

Subd. 2a. [REAL PROPERTY; DISABILITY DISCRIMINATION.]
(a) For purposes of subdivision 2, discrimination includes:

(1) a refusal to permit, at the expense of the disabled person, reasonable modifications of existing premises occupied or to be occupied by the disabled person if modifications may be necessary to afford the disabled person full enjoyment of the premises; a landlord may, where it is reasonable to do so, condition permission for a modification on the renter agreeing to restore the interior of the premises to the condition that existed before the modification, excluding reasonable wear and tear;

(2) a refusal to make reasonable accommodations in rules, policies, practices, or services, when accommodations may be necessary to afford a disabled person equal opportunity to use and enjoy a dwelling; or

(3) in connection with the design and construction of covered multifamily dwellings for first occupancy after March 13, 1991, a failure to design and construct those dwellings in a manner that:

(i) the public use and common use portions are readily accessible to and usable by a disabled person;

(ii) all the doors designed to allow passage into and within all premises are sufficiently wide to allow passage by disabled persons in wheelchairs; and

(iii) all premises contain the following features of adaptive design:

an accessible route into and through the dwelling; light switches, electrical outlets, thermostats, and other environmental controls in accessible locations; reinforcements in bathroom walls to allow later installation of grab bars; and usable kitchens and bathrooms so that an individual in a wheelchair can maneuver about the space.

(b) As used in this subdivision, the term "covered multifamily dwellings" means:

(1) a building consisting of four or more units if the building has one or more elevators; and

(2) ground floor units in other buildings consisting of four or more units.

(c) This subdivision does not invalidate or limit any law of the state or political subdivision of the state, or other jurisdiction in which this subdivision applies, that requires dwellings to be designed and constructed in a manner that affords disabled persons greater access than is required by this subdivision.

(d) This subdivision does not require that a dwelling be made available to an individual whose tenancy would constitute a direct threat to the health or safety of other individuals or whose tenancy would result in substantial physical damage to the property of others.

Sec. 13. Minnesota Statutes 1988, section 363.03, subdivision 3, is amended to read:

Subd. 3. [PUBLIC ACCOMMODATIONS.] It is an unfair discriminatory practice:

(1) To deny any person the full and equal enjoyment of the goods, services, facilities, privileges, advantages, and accommodations of a place of public accommodation because of race, color, creed, religion, disability, national origin or sex. It is an unfair discriminatory practice for a taxicab company to discriminate in the access to, full utilization of or benefit from service because of a person's disability. Nothing in this subdivision requires any person to exercise a higher degree of care for a person having a disability or to modify property in any way except as required by the accessibility provisions of the state building code.

(2) For a place of public accommodation not to make reasonable accommodation to the known physical disability of a disabled person. In determining whether an accommodation is reasonable, the factors to be considered may include:

(a) the frequency and predictability with which members of the public will be served by the accommodation at that location;

(b) the size of the business or organization at that location with respect to physical size, annual gross revenues, and the number of employees;

(c) the extent to which disabled persons will be further served from the accommodation;

(d) the type of operation;

(e) the nature and amount of both direct costs and legitimate indirect costs of making the accommodation and the reasonableness for that location to finance the accommodation;

(f) the extent to which any persons may be adversely affected by the accommodation.

State or local building codes control where applicable. Violations of state or local building codes are not violations of this chapter and must be enforced under normal building code procedures. Nothing in this subdivision requires structural changes to real property except as required by state or local building codes.

This subdivision does not create a different standard of care. It applies only to unfair discriminatory practice cases brought under this statute and to no other causes of action.

Sec. 14. Minnesota Statutes 1988, section 363.03, subdivision 7, is amended to read:

Subd. 7. [REPRISALS.] It is an unfair discriminatory practice for any employer, labor organization, employment agency, public accommodation, public service, educational institution, or owner, lessor, lessee, sublessee, assignee or managing agent of any real property, or any real estate broker, real estate salesperson or employee or agent thereof to intentionally engage in any reprisal against any person because that person:

(1) Opposed a practice forbidden under this chapter or has filed a charge, testified, assisted, or participated in any ~~matter~~ manner in an investigation, proceeding or hearing under this chapter; or

(2) Associated with a person or group of persons who are disabled or who are of different race, color, creed, religion, or national origin.

A reprisal includes, but is not limited to, any form of intimidation, retaliation, or harassment. It is a reprisal for an employer to do any of the following with respect to an individual because that individ-

ual has engaged in the activities listed in clause (1) or (2): refuse to hire the individual; depart from any customary employment practice; transfer or assign the individual to a lesser position in terms of wages, hours, job classification, job security, or other employment status; or inform another employer that the individual has engaged in the activities listed in clause (1) or (2).

Sec. 15. Minnesota Statutes 1988, section 363.03, subdivision 8, is amended to read:

Subd. 8. [CREDIT; ~~SEX~~ DISCRIMINATION.] It is an unfair discriminatory practice:

(1) to discriminate in the extension of personal or commercial credit to a person, or in the requirements for obtaining credit, because of race, color, creed, religion, disability, national origin, sex or marital status; or

(2) for a credit card issuer to refuse to issue a credit card to a woman under her current or former surname unless there is an intent to defraud or mislead, except that a credit card issuer may require that a woman requesting a card under a former surname open a separate account in that name. A credit card issuer may also require disclosure of any other names under which the credit card applicant may have a credit history.

Sec. 16. Minnesota Statutes 1988, section 363.05, subdivision 2, is amended to read:

Subd. 2. [SERVICE, ENFORCEMENT, AND EFFECT OF SUBPOENA.] (a) Disobedience of a subpoena issued by the commissioner pursuant to subdivision 1 shall be punishable in like manner as a contempt of the district court in proceedings instituted upon application of the commissioner made to the district court of the county where the alleged unfair discriminatory practice in connection with a charge made by a charging party or a complaint filed by the commissioner has occurred or where the respondent resides or has a principal place of business.

(b) It is not a violation of rights conferred by chapter 13 or any other statute related to the confidentiality of government data for an a state agency, statewide system, or political subdivision, as defined in section 13.02, subdivision 11, to provide data or information under a subpoena issued by the commissioner under this section.

(c) A subpoena issued under subdivision 1 must be served personally or by mailing a copy of the subpoena, by first class mail, postage prepaid, to the person to be served. The subpoena must include two copies of a notice and acknowledgment of service on a form to be provided by the commissioner, and a return envelope, postage

prepaid, addressed to the sender. If acknowledgment of service is not received by the commissioner within 20 days, service is not effective. Unless good cause is shown for not doing so, a court or administrative law judge shall order the payment of the costs of personal service by the person served if the person does not complete and return the notice and acknowledgment of receipt of the subpoena within the time allowed.

Sec. 17. Minnesota Statutes 1988, section 363.073, subdivision 1, is amended to read:

Subdivision 1. [SCOPE OF APPLICATION.] No department or agency of the state shall receive, enter into, or accept any bid or proposal for a contract nor execute any contract for goods, services, or the performance of any function, or any agreement to transfer funds for any reason in excess of \$50,000 with any person having more than 20 full-time employees in Minnesota at any time during the previous 12 months, unless the person has an affirmative action plan for the employment of minority persons, women, and the disabled that has been approved by the commissioner of human rights. Receipt of a certificate of compliance issued by the commissioner shall signify that a person has an affirmative action plan that has been approved by the commissioner. A certificate shall be valid for a period of two years.

Sec. 18. Minnesota Statutes 1988, section 363.117, is amended to read:

363.117 [WITHDRAWAL FROM A LOCAL COMMISSION.]

Notwithstanding the provisions of any law or ordinance to the contrary, a person who has filed a charge with a local commission may bring a civil action as provided in section 363.14 at the following times:

(a) Within 45 days after receipt of notice that the local commission has determined that there is no probable cause to credit the allegations contained in the charge; receipt of notice is presumed to be five days from the date of service by mail of the written notice; or

(b) After 45 days from the filing of the charge if a hearing has not been held or if the local commission has not entered into a conciliation agreement to which the charging party is a signator. The charging party shall notify the local commission of an intention to bring a civil action, which shall be commenced within 90 days of giving the notice.

A charging party bringing a civil action shall mail by registered or certified mail a copy of the summons and complaint to the local commission and upon their receipt the local commission shall

terminate all proceedings before the local commission relating to the charge. No charge shall be filed or reinstated with the local commission after a civil action relating to the same unfair discriminatory practice has been brought unless the civil action has been dismissed without prejudice.

Sec. 19. Minnesota Statutes 1988, section 363.123, is amended to read:

363.123 [VIOLATION OF ACT.]

It shall be a violation of ~~Laws 1973, this chapter 729~~ for any person furnishing credit service to discriminate against any person who is the recipient of federal, state or local public assistance, including medical assistance, or who is a tenant receiving federal, state or local housing subsidies, including rental assistance or rent supplements, solely because the individual is such a recipient.

Sec. 20. Minnesota Statutes 1988, section 363.14, subdivision 1, is amended to read:

Subdivision 1. [COURT ACTIONS, SUITS BY PRIVATE PARTIES, INTERVENTION.] (a) The commissioner or a person may bring a civil action seeking redress for an unfair discriminatory practice directly to district court. In addition, a person may bring a civil action:

(1) within 45 days after receipt of notice that the commissioner has dismissed a charge because it is frivolous or without merit, because the charging party has failed to provide required information, because the commissioner has determined that further use of department resources is not warranted, or because the commissioner has determined that there is no probable cause to credit the allegations contained in a charge filed with the commissioner;

(2) within 45 days after receipt of notice that the commissioner has reaffirmed a determination of no probable cause if the charging party requested a reconsideration of the no probable cause determination, or has decided not to reopen a dismissed case that the charging party has asked to be reopened; or

(3) after 45 days from the filing of a charge pursuant to section 363.06, subdivision 1, if a hearing has not been held pursuant to section 363.071 or if the commissioner has not entered into a conciliation agreement to which the charging party is a signator. The charging party shall notify the commissioner of an intention to bring a civil action, which shall be commenced within 90 days of giving the notice.

For purposes of clauses (1) and (2), receipt of notice is presumed to be five days from the date of service by mail of the written notice.

(b) If the commissioner has issued both probable cause and no probable cause determinations on separate issues in the same charge, the charging party may, if a hearing is held, require that all matters be heard at the hearing or may bring a civil action for the no probable cause charges at the same time as the probable cause charges under the rules and time frames that govern the probable cause charges.

(c) A charging party bringing a civil action shall mail by registered or certified mail a copy of the summons and complaint to the commissioner, and upon their receipt the commissioner shall terminate all proceedings in the department relating to the charge. No charge shall be filed or reinstated with the commissioner after a civil action relating to the same unfair discriminatory practice has been brought unless the civil action has been dismissed without prejudice.

(d) Upon application by the complaining party to the district court at a special term and under circumstances the court deems just, the court may appoint an attorney for the person and may authorize the commencement of the action without payment of fees, costs, or security.

(e) Upon timely application, the court may permit the department to intervene in a civil action brought pursuant to this section upon certification that the case is of general public importance.

Sec. 21. Minnesota Statutes 1988, section 363.15, is amended to read:

363.15 [NOTICE OF APPEAL TO THE COMMISSIONER.]

In any case that is appealed to the supreme court or the court of appeals in which an issue is raised under this chapter, the party raising the issue shall serve a copy of the notice of appeal on the commissioner. ~~The clerk of the appellate courts may not accept~~ At the time of filing a notice of appeal or other papers, documents, or briefs from any in the case, a party in an action involving this chapter without shall file proof of service of the papers, documents, or briefs upon the commissioner.

Sec. 22. [INSTRUCTION TO REVISOR.]

In the next edition of Minnesota Statutes the revisor of statutes shall renumber Minnesota Statutes, section 363.123, as section 363.03, subdivision 8b.

Sec. 23. [REPEALER.]

Minnesota Statutes 1988, section 363.01, subdivisions 30 and 32, are repealed."

Delete the title and insert:

"A bill for an act relating to human rights; adopting federal fair housing amendments; clarifying the definition of disability; limiting the use of psychological tests; limiting age-related questions in employment applications; clarifying who is an aggrieved party for certain violations; clarifying burden on the employer to show a person's impairment is disqualifying; providing for service of subpoenas personally or by mail; allowing the commissioner discretion on access to data in closed files; striking the requirement that a person's employees must be within Minnesota for purposes of affirmative action; clarifying the time period allowed for filing a private lawsuit; modifying notice requirements in certain human rights appeals; amending Minnesota Statutes 1988, sections 363.01, subdivisions 25, 25a, and 31; 363.02, subdivisions 1, 2, 2a, 2b, and 6; 363.03, subdivisions 1, 2, 3, 7, 8, and by adding subdivisions; 363.05, subdivision 2; 363.073, subdivision 1; 363.117; 363.123; 363.14, subdivision 1; and 363.15; repealing Minnesota Statutes 1988, section 363.01, subdivisions 30 and 32."

The motion prevailed and the amendment was adopted.

Solberg and McEachern moved to amend H. F. No. 950, the first engrossment, as amended, as follows:

Delete page 20, line 32 to page 21, line 9, and insert:

"Subdivision 1. [SCOPE OF APPLICATION.] No department or agency of the state shall receive, enter into, or accept any bid or proposal for a contract nor or execute any contract for goods, or services, or the performance of any function, or any agreement to transfer funds for any reason in excess of \$50,000 with any person business having more than 20 full-time employees in Minnesota at any time during the previous 12 months, unless the person firm or business has an affirmative action plan for the employment of minority persons, women, and the disabled that has been approved by the commissioner of human rights. Receipt of a certificate of compliance issued by the commissioner shall signify that a person firm or business has an affirmative action plan that has been approved by the commissioner. A certificate shall be valid for a period of two years. A municipality as defined in section 466.01, subdivision 1, which receives state funds for any reason should prepare and implement an affirmative action plan for the employment of minority persons, women, and the disabled and submit the plan to the commissioner of human rights.

Sec. 18. Minnesota Statutes 1988, section 363.073, subdivision 3, is amended to read:

Subd. 3. [REVOCAION OF CONTRACT.] A contract awarded by a department or agency of the state may be terminated or abridged by the department or agency because of suspension or revocation of a certificate based upon a contractor's failure to implement or make a good faith effort to implement an affirmative action plan approved by the commissioner under this section. If a contract is awarded to a person who does not have a contract compliance certificate required under subdivision 1, the ~~commissioner~~ department or agency may void the contract on behalf of the state."

Renumber the sections in sequence

Correct internal references

Amend the title as follows:

Page 24, line 25, delete "striking the requirement that" and insert "changing contract compliance certification;"

Page 24, delete line 26

Page 24, line 27, delete everything before "clarifying"

Page 24, line 34, delete "subdivision 1" and insert "subdivisions 1 and 3"

A roll call was requested and properly seconded.

The question was taken on the Solberg and McEachern amendment and the roll was called. There were 107 yeas and 21 nays as follows:

Those who voted in the affirmative were:

Abrams	Cooper	Himle	Lynch	Olson, K.
Anderson, R.	Dauner	Hugoson	Macklin	Omann
Battaglia	Dawkins	Jacobs	Marsh	Onnen
Bauerly	Dille	Janezich	McDonald	Osthoff
Beard	Dorn	Jennings	McEachern	Ostrom
Begich	Forsythe	Johnson, A.	McGuire	Ozment
Bennett	Frederick	Johnson, R.	McPherson	Pellow
Bertram	Frerichs	Johnson, V.	Milbert	Pelowski
Blatz	Girard	Kalis	Miller	Peterson
Boo	Gruenes	Kelso	Morrison	Poppenhagen
Brown	Gutknecht	Kinkel	Nelson, C.	Price
Burger	Hartle	Knickerbocker	Nelson, K.	Pugh
Carlson, D.	Hasskamp	Krueger	Neuenschwander	Quinn
Carlson, L.	Haukoos	Lasley	O'Connor	Redalen
Carruthers	Heap	Lieder	Ogren	Reding
Conway	Henry	Limmer	Olson, E.	Rice

Richter	Scheid	Stanius	Tunheim	Welle
Rodosovich	Schreiber	Steenasma	Uphus	Wenzel
Rukavina	Seaberg	Sviggum	Valento	Winter
Runbeck	Skoglund	Swenson	Wagenius	
Sarna	Solberg	Tjornhom	Waltman	
Schafer	Sparby	Tompkins	Weaver	

Those who voted in the negative were:

Clark	Kelly	Olsen, S.	Segal	Wynia
Greenfield	Kostohryz	Orenstein	Simoneau	
Jaros	Long	Pappas	Trimble	
Jefferson	McLaughlin	Pauly	Vellenga	
Kahn	Murphy	Rest	Williams	

The motion prevailed and the amendment was adopted.

CALL OF THE HOUSE

On the motion of Orenstein and on the demand of 10 members, a call of the House was ordered. The following members answered to their names:

Abrams	Frederick	Knickerbocker	Olson, K.	Scheid
Anderson, G.	Frerichs	Kostohryz	Omann	Schreiber
Anderson, R.	Girard	Krueger	Onnen	Seaberg
Battaglia	Greenfield	Lasley	Orenstein	Segal
Bauerly	Gruenes	Lieder	Osthoff	Simoneau
Beard	Gutknecht	Limmer	Ostrom	Skoglund
Begich	Hartle	Lynch	Otis	Solberg
Bennett	Hasskamp	Macklin	Pappas	Sparby
Bertram	Haukoos	Marsh	Pauly	Stanius
Blatz	Heap	McDonald	Pellow	Steenasma
Boo	Henry	McEachern	Pelowski	Sviggum
Brown	Himle	McGuire	Peterson	Swenson
Burger	Hugoson	McLaughlin	Poppenhagen	Tjornhom
Carlson, D.	Jacobs	McPherson	Price	Tompkins
Carlson, L.	Jaros	Milbert	Pugh	Trimble
Carruthers	Jefferson	Miller	Quinn	Tunheim
Clark	Jennings	Morrison	Redalen	Uphus
Conway	Johnson, A.	Munger	Rest	Valento
Cooper	Johnson, R.	Murphy	Rice	Vellenga
Dauner	Johnson, V.	Nelson, C.	Richter	Wagenius
Dawkins	Kahn	Nelson, K.	Rodosovich	Waltman
Dempsey	Kalis	Neuenschwander	Rukavina	Weaver
Dille	Kelly	O'Connor	Runbeck	Wenzel
Dorn	Kelso	Ogren	Sarna	Williams
Forsythe	Kinkel	Olsen, S.	Schafer	Winter
				Wynia

Wynia moved that further proceedings of the roll call be dispensed with and that the Sergeant at Arms be instructed to bring in the absentees. The motion prevailed and it was so ordered.

Marsh, Seaberg, Bertram and Olson, E., moved to amend H. F. No. 950, the first engrossment, as amended, as follows:

Pages 12 to 16, delete section 11

Renumber the sections in order

Correct internal references

Amend the title accordingly

A roll call was requested and properly seconded.

The question was taken on the Marsh et al amendment and the roll was called.

Wynia moved that those not voting be excused from voting. The motion prevailed.

There were 67 yeas and 66 nays as follows:

Those who voted in the affirmative were:

Abrams	Girard	Limmer	Onnen	Steensma
Anderson, R.	Gruenes	Lynch	Osthoff	Sviggum
Bennett	Gutknecht	Macklin	Ozment	Swenson
Bertram	Hartle	Marsh	Pauly	Tjornhom
Blatz	Haukoos	McDonald	Pellow	Tompkins
Boo	Heap	McEachern	Poppenhagen	Tunheim
Burger	Henry	McPherson	Redalen	Uphus
Carlson, D.	Himle	Miller	Richter	Valento
Dauner	Hugoson	Morrison	Runbeck	Waltman
Dempsey	Jennings	Neuenschwander	Schafer	Weaver
Dille	Johnson, V.	Olsen, S.	Schreiber	Winter
Forsythe	Kalis	Olson, E.	Seaberg	
Frederick	Kelso	Olson, K.	Sparby	
Frerichs	Knickerbocker	Omann	Stanius	

Those who voted in the negative were:

Anderson, G.	Greenfield	Lasley	Ostrom	Sarna
Battaglia	Hasskamp	Lieder	Otis	Scheid
Beard	Jacobs	Long	Pappas	Segal
Begich	Janezich	McGuire	Pelowski	Simoneau
Bishop	Jaros	McLaughlin	Peterson	Skoglund
Brown	Jefferson	Milbert	Price	Solberg
Carlson, L.	Johnson, A.	Munger	Pugh	Trimble
Carruthers	Johnson, R.	Murphy	Quinn	Vellenga
Clark	Kahn	Nelson, C.	Reding	Wagenius
Conway	Kelly	Nelson, K.	Rest	Welle
Cooper	Kinkel	O'Connor	Rice	Wenzel
Dawkins	Kostohryz	Ogren	Rodosovich	Williams
Dorn	Krueger	Orenstein	Rukavina	Wynia
				Spk. Vanasek

The motion prevailed and the amendment was adopted.

Orenstein moved to amend H. F. No. 950, the first engrossment, as amended, as follows:

Page 2, after line 19, insert:

"Sec. 4. Minnesota Statutes 1988, section 363.01, is amended by adding a subdivision to read:

Subd. 41. [BUSINESS.] The term "business" includes any partnership, association, corporation, legal representative, trustee, trustee in bankruptcy, or receiver, but excludes the state and its department, agencies, and political subdivisions."

Renumber the sections in sequence

Correct internal references

Amend the title as follows:

Page 24, line 31, delete the first "and" and before the first semicolon insert " , and by adding a subdivision"

The motion prevailed and the amendment was adopted.

H. F. No. 950, A bill for an act relating to human rights; adopting federal fair housing amendments; clarifying the definition of disability; limiting the use of psychological tests; limiting age-related questions in employment applications; clarifying who is an aggrieved party for certain violations; clarifying burden on the employer to show a person's impairment is disqualifying; providing for service of subpoenas personally or by mail; allowing the commissioner discretion on access to data in closed files; changing contract compliance certification; clarifying the time period allowed for filing a private lawsuit; modifying notice requirements in certain human rights appeals; amending Minnesota Statutes 1988, sections 363.01, subdivisions 25, 25a, 31, and by adding a subdivision; 363.02, subdivisions 1, 2, 2a, 2b, and 6; 363.03, subdivisions 1, 3, 7, 8, and by adding subdivisions; 363.05, subdivision 2; 363.073, subdivisions 1 and 3; 363.117; 363.123; 363.14, subdivision 1; and 363.15; repealing Minnesota Statutes 1988, section 363.01, subdivisions 30 and 32.

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.

Wynia moved that those not voting be excused from voting. The motion prevailed.

There were 130 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Abrams	Frederick	Kostohryz	Omann	Scheid
Anderson, G.	Frerichs	Krueger	Onnen	Schreiber
Anderson, R.	Girard	Lasley	Orenstein	Seaberg
Battaglia	Gruenes	Lieder	Osthoff	Segal
Bauerly	Gutknecht	Limmer	Ostrom	Simoneau
Beard	Hartle	Lynch	Otis	Skoglund
Begich	Hasskamp	Macklin	Ozment	Solberg
Bennett	Haukoos	Marsh	Pappas	Sparby
Bertram	Heap	McDonald	Pauly	Stanius
Bishop	Henry	McEachern	Pellow	Steensma
Blatz	Himle	McGuire	Pelowski	Svigum
Boo	Hugoson	McLaughlin	Peterson	Swenson
Brown	Jacobs	McPherson	Poppenhagen	Tjornhom
Burger	Janezich	Milbert	Price	Tompkins
Carlson, D.	Jaros	Miller	Pugh	Trimble
Carlson, L.	Jefferson	Morrison	Quinn	Tunheim
Carruthers	Jennings	Munger	Redalen	Uphus
Clark	Johnson, A.	Murphy	Reding	Valento
Conway	Johnson, R.	Nelson, C.	Rest	Wagenius
Cooper	Johnson, V.	Nelson, K.	Rice	Waltman
Dauner	Kahn	Neuenschwander	Richter	Weaver
Dawkins	Kalis	O'Connor	Rodosovich	Welle
Dempsey	Kelly	Ogren	Rukavina	Wenzel
Dille	Kelso	Olsen, S.	Runbeck	Winter
Dorn	Kinkel	Olson, E.	Sarna	Wynia
Forsythe	Knickerbocker	Olson, K.	Schafer	Spk. Vanasek

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

CALL OF THE HOUSE LIFTED

Wynia moved that the call of the House be dispensed with. The motion prevailed and it was so ordered.

The Speaker resumed the Chair.

S. F. No. 1031 which was temporarily laid over earlier today was again reported to the House.

Trimble moved to amend S. F. No. 1031, as follows:

Page 2, line 10, after "guards" insert ", including security guards at the Minnesota security hospital,"

The motion prevailed and the amendment was adopted.

S. F. No. 1031, A bill for an act relating to health; establishing notice requirements for emergency medical services personnel who are first responders; providing safeguards for first responders against exposure to infectious diseases; proposing coding for new law in Minnesota Statutes, chapter 144.

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

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

Those who voted in the affirmative were:

Abrams	Frerichs	Krueger	Onnen	Seaberg
Anderson, G.	Girard	Lasley	Orenstein	Segal
Anderson, R.	Greenfield	Lieder	Osthoff	Simoneau
Battaglia	Gruenes	Limmer	Ostrom	Skoglund
Bauerly	Gutknecht	Long	Otis	Solberg
Beard	Hartle	Lynch	Ozment	Sparby
Begich	Hasskamp	Macklin	Pappas	Stanius
Bennett	Haukoos	Marsh	Pauly	Steensma
Bertram	Heap	McDonald	Pellow	Sviggum
Bishop	Henry	McEachern	Pelowski	Swenson
Blatz	Himle	McGuire	Peterson	Tjornhom
Boo	Hugoson	McLaughlin	Poppenhagen	Tompkins
Brown	Jacobs	McPherson	Price	Trimble
Burger	Janezich	Milbert	Pugh	Tunheim
Carlson, D.	Jaros	Miller	Quinn	Uphus
Carlson, L.	Jefferson	Morrison	Redalen	Valento
Carruthers	Jennings	Munger	Reding	Vellenga
Clark	Johnson, A.	Murphy	Rest	Wagenius
Conway	Johnson, R.	Nelson, C.	Rice	Waltman
Cooper	Johnson, V.	Nelson, K.	Richter	Weaver
Dauner	Kahn	Neuenschwander	Rodosovich	Welle
Dawkins	Kalis	O'Connor	Rukavina	Wenzel
Dempsey	Kelly	Ogren	Runbeck	Williams
Dille	Kelso	Olsen, S.	Sarna	Winter
Dorn	Kinkel	Olson, E.	Schafer	Wynia
Forsythe	Knickerbocker	Olson, K.	Scheid	Spk. Vanasek
Frederick	Kostohryz	Omamm	Schreiber	

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

Wynia moved that the House recess subject to the call of the Chair. The motion prevailed.

RECESS

RECONVENED

The House reconvened and was called to order by the Speaker.

Himle and Bauerly were excused for the remainder of today's session.

REPORT FROM THE COMMITTEE ON RULES AND LEGISLATIVE ADMINISTRATION

Wynia, from the Committee on Rules and Legislative Administration, pursuant to House Rule No. 1.9, designated the following bills

as Special Orders to be acted upon immediately following Special Orders pending for today, Tuesday, May 9, 1989:

S. F. Nos. 886, 1269, 184 and 281; H. F. No. 1689; and S. F. No. 297.

SPECIAL ORDERS

S. F. No. 886, A bill for an act relating to insurance; township mutuals; permitting the directors to choose a manager who need not be a member of the board; expanding the permissible duties of the treasurer and manager; permitting township mutual fire insurance companies to cover certain secondary property; permitting township mutual insurance companies to insure secondary property outside the companies' territory under certain circumstances; setting forth a director's personal liability; amending Minnesota Statutes 1988, sections 67A.09, subdivision 1; 67A.12, subdivision 1; 67A.14, subdivisions 1 and 5; and 67A.17, subdivisions 2 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 131 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Abrams	Frerichs	Lasley	Onnen	Schreiber
Anderson, G.	Girard	Lieder	Orenstein	Seaberg
Anderson, R.	Greenfield	Limmer	Osthoff	Segal
Battaglia	Gruenes	Long	Ostrom	Simoneau
Beard	Gutknecht	Lynch	Otis	Skoglund
Begich	Hartle	Macklin	Ozment	Solberg
Bennett	Hasskamp	Marsh	Pappas	Sparby
Bertram	Haukoos	McDonald	Pauly	Stanius
Bishop	Heap	McEachern	Pellow	Steenasma
Blatz	Henry	McGuire	Pelowski	Sviggum
Boo	Hugoson	McLaughlin	Peterson	Swenson
Brown	Jacobs	McPherson	Poppenhagen	Tjornhom
Burger	Janezich	Milbert	Price	Tompkins
Carlson, D.	Jefferson	Miller	Pugh	Trimble
Carlson, L.	Jennings	Morrison	Quinn	Tunheim
Carruthers	Johnson, A.	Munger	Redalen	Uphus
Clark	Johnson, R.	Murphy	Reding	Valento
Conway	Johnson, V.	Nelson, C.	Rest	Vellenga
Cooper	Kahn	Nelson, K.	Rice	Wagenius
Dauner	Kalis	Neuenschwander	Richter	Waltman
Dawkins	Kelly	O'Connor	Rodosovich	Weaver
Dempsey	Kelso	Ogren	Rukavina	Welle
Dille	Kinkel	Olsen, S.	Runbeck	Wenzel
Dorn	Knickerbocker	Olson, E.	Sarna	Williams
Forsythe	Kostohryz	Olson, K.	Schafer	Winter
Frederick	Krueger	Omann	Scheid	Wynia
				Spk. Vanasek

The bill was passed and its title agreed to.

The Speaker called Quinn to the Chair.

S. F. No. 1269 was reported to the House.

Price moved to amend S. F. No. 1269, as follows:

Page 1, line 13, before the period insert "in violation of section 2"

Page 1, line 23, before "CASH" delete "RECEIVING"

Page 1, line 23, after "CASH" insert "AWARDS"

Page 1, line 24, after "who" insert "awards or"

Page 3, line 3, after "of" delete remainder of line

Page 3, delete line 4

Page 3, line 5, before "is" insert "a violation of section 2, subdivision 1,"

Page 4, line 16, after "poker" delete "and" and insert "or video"

Amend the title as follows:

Page 1, line 2, after the second semicolon insert "prohibiting cash awards;"

Page 1, line 4, after the semicolon insert "prescribing a penalty;"

The motion prevailed and the amendment was adopted.

S. F. No. 1269, A bill for an act relating to gambling; video games of chance; requiring notice to the public and to employees of the consequences of participating in cash awards; amending Minnesota Statutes 1988, sections 349.51, subdivision 2; 349.53; and 349.56; proposing coding for new law in Minnesota Statutes, chapter 349.

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

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

Those who voted in the affirmative were:

Abrams	Anderson, R.	Beard	Bennett	Bishop
Anderson, G.	Battaglia	Begich	Bertram	Blatz

Boo	Heap	Macklin	Ostrom	Seaberg
Brown	Henry	Marsh	Otis	Segal
Burger	Hugoson	McDonald	Ozment	Skoglund
Carlson, D.	Jacobs	McEachern	Pappas	Solberg
Carlson, L.	Janezich	McGuire	Pauly	Sparby
Carruthers	Jaros	McLaughlin	Pellow	Stanius
Clark	Jefferson	McPherson	Pelowski	Steensma
Conway	Jennings	Milbert	Peterson	Sviggum
Cooper	Johnson, A.	Miller	Poppenhagen	Swenson
Dauner	Johnson, R.	Morrison	Price	Tjornhom
Dawkins	Johnson, V.	Munger	Pugh	Tompkins
Dempsey	Kahn	Murphy	Quinn	Trimble
Dille	Kalis	Nelson, C.	Redalen	Tunheim
Dorn	Kelly	Nelson, K.	Reding	Uphus
Forsythe	Kelso	Neuenschwander	Rest	Valento
Frederick	Kinkel	O'Connor	Rice	Vellenga
Frerichs	Knickerbocker	Ogren	Richter	Wagenius
Girard	Kostohryz	Olsen, S.	Rodosovich	Waltman
Greenfield	Krueger	Olson, E.	Rukavina	Weaver
Gruenes	Lasley	Olson, K.	Rumbeck	Welle
Gutknecht	Lieder	Omann	Sarna	Wenzel
Hartle	Limmer	Onnen	Schafer	Williams
Hasskamp	Long	Orenstein	Scheid	Winter
Haukoos	Lynch	Osthoff	Schreiber	Wynia
				Spk. Vanasek

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

S. F. No. 184 was reported to the House.

Bertram moved that S. F. No. 184 be continued on Special Orders. The motion prevailed.

S. F. No. 281 was reported to the House.

Rodosovich moved that S. F. No. 281 be continued on Special Orders. The motion prevailed.

H. F. No. 1689, A resolution memorializing the President and Congress of the United States to take action to review and revise the statutory framework of the laws of the United States with respect to hostile takeovers and stock accumulations having certain adverse effects and to permit certain state regulation.

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	Begich	Boo	Carruthers	Dawkins
Anderson, G.	Bennett	Brown	Clark	Dempsey
Anderson, R.	Bertram	Burger	Conway	Dille
Battaglia	Bishop	Carlson, D.	Cooper	Dorn
Beard	Blatz	Carlson, L.	Dauner	Forsythe

Frederick	Kelly	Munger	Peterson	Solberg
Frerichs	Kelso	Murphy	Poppenhagen	Sparby
Girard	Kinkel	Nelson, C.	Price	Stanius
Greenfield	Knickerbocker	Nelson, K.	Pugh	Steensma
Gruenes	Kostohryz	Neuenschwander	Quinn	Swiggum
Hartle	Krueger	O'Connor	Redalen	Swenson
Hasskamp	Lasley	Ogren	Reding	Tjornhom
Haukoos	Lieder	Olsen, S.	Rest	Tompkins
Heap	Limmer	Olson, E.	Rice	Trimble
Henry	Long	Olson, K.	Richter	Tunheim
Hugoson	Lynch	Omann	Rodosovich	Uphus
Jacobs	Macklin	Onnen	Rukavina	Valento
Janezich	Marsh	Orenstein	Runbeck	Vellenga
Jaros	McDonald	Osthoff	Sarna	Wagenius
Jefferson	McEachern	Ostrom	Schafer	Waltman
Jennings	McGuire	Otis	Scheid	Welle
Johnson, A.	McLaughlin	Ozment	Schreiber	Wenzel
Johnson, R.	McPherson	Pappas	Seaberg	Williams
Johnson, V.	Milbert	Pauly	Segal	Winter
Kahn	Miller	Pellow	Simoneau	Wynia
Kalis	Morrison	Pelowski	Skoglund	Spk. Vanasek

The bill was passed and its title agreed to.

S. F. No. 297, A bill for an act relating to game and fish; authorizing party hunting for small game; authorizing party fishing by angling; proposing coding for new law in Minnesota Statutes, chapters 97B and 97C.

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	Forsythe	Kelso	Neuenschwander	Richter
Anderson, G.	Frederick	Kinkel	O'Connor	Rodosovich
Anderson, R.	Frerichs	Knickerbocker	Ogren	Rukavina
Battaglia	Girard	Kostohryz	Olsen, S.	Runbeck
Beard	Greenfield	Krueger	Olson, E.	Sarna
Begich	Gruenes	Lasley	Olson, K.	Schafer
Bennett	Gutknecht	Lieder	Omann	Scheid
Bertram	Hartle	Limmer	Onnen	Schreiber
Bishop	Hasskamp	Long	Orenstein	Seaberg
Blatz	Haukoos	Lynch	Ostrom	Segal
Boo	Heap	Macklin	Otis	Simoneau
Brown	Henry	Marsh	Ozment	Skoglund
Burger	Hugoson	McDonald	Pauly	Solberg
Carlson, D.	Jacobs	McEachern	Pellow	Sparby
Carlson, L.	Janezich	McGuire	Pelowski	Stanius
Carruthers	Jaros	McLaughlin	Peterson	Steensma
Clark	Jefferson	McPherson	Poppenhagen	Swiggum
Conway	Jennings	Milbert	Price	Swenson
Cooper	Johnson, A.	Miller	Pugh	Tjornhom
Dauner	Johnson, R.	Morrison	Quinn	Tompkins
Dawkins	Johnson, V.	Munger	Redalen	Trimble
Dempsey	Kahn	Murphy	Reding	Tunheim
Dille	Kalis	Nelson, C.	Rest	Uphus
Dorn	Kelly	Nelson, K.	Rice	Valento

Vellenga
WageniusWaltman
WeaverWelle
WenzelWilliams
WinterWynia
Spk. Vanasek

The bill was passed and its title agreed to.

There being no objection, S. F. No. 281 which was continued earlier today was again reported to the House.

S. F. No. 281, A bill for an act relating to agriculture; allowing nuisance free, pollution free, aesthetic disposal of solid waste on agricultural land by a person engaged in farming; requiring planning and providing technical and financial assistance for land application of certain solid wastes; requiring the pollution control agency to notify the commissioner of agriculture and hold public hearings on rules affecting farming operations; amending Minnesota Statutes 1988, sections 14.115, subdivision 1; 115A.46, subdivision 2; 115A.48, subdivisions 1, 2, and by adding a subdivision; and 116.07, subdivision 4; proposing coding for new law in Minnesota Statutes, chapter 17.

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	Frerichs	Krueger	Onnen	Schreiber
Anderson, G.	Girard	Lasley	Orenstein	Seaberg
Anderson, R.	Greenfield	Lieder	Osthoff	Segal
Battaglia	Gruenes	Limmer	Ostrom	Simoneau
Beard	Gutknecht	Lynch	Otis	Skoglund
Begich	Hartle	Macklin	Ozment	Solberg
Bennett	Hasskamp	Marsh	Pappas	Sparby
Bertram	Haukoos	McDonald	Pauly	Stanius
Bishop	Heap	McEachern	Pellow	Steensma
Blatz	Henry	McGuire	Pelowski	Sviggum
Boo	Hugoson	McLaughlin	Peterson	Swenson
Brown	Jacobs	McPherson	Poppenhagen	Tjornhom
Burger	Janezich	Milbert	Price	Tompkins
Carlson, D.	Jaros	Miller	Pugh	Trimble
Carlson, L.	Jefferson	Morrison	Quinn	Tunheim
Carruthers	Jennings	Munger	Redalen	Uphus
Clark	Johnson, A.	Murphy	Reding	Valento
Conway	Johnson, R.	Nelson, C.	Rest	Vellenga
Cooper	Johnson, V.	Nelson, K.	Rice	Wagenius
Dauner	Kahn	Neuenschwander	Richter	Waltman
Dawkins	Kalis	O'Connor	Rodosovich	Weaver
Dempsey	Kelly	Ogren	Rukavina	Welle
Dille	Kelso	Olsen, S.	Runbeck	Wenzel
Dorn	Kinkel	Olson, E.	Sarna	Williams
Forsythe	Knickerbocker	Olson, K.	Schafer	Winter
Frederick	Kostohryz	Omann	Scheid	Wynia
				Spk. Vanasek

The bill was passed and its title agreed to.

There being no objection, the order of business reverted to Reports of Standing Committees.

REPORTS OF STANDING COMMITTEES

Anderson, G., from the Committee on Appropriations to which was referred:

H. F. No. 127, A bill for an act relating to corporations; providing for the simplification of certain filings made with the office of the secretary of state; changing the recipients of certain notices; modifying the definition of address to include zip codes; appropriating money; amending Minnesota Statutes 1988, sections 302A.011, subdivision 3; 302A.123, subdivision 1; 302A.821, subdivision 1; 303.02, subdivision 5; 303.10, subdivision 2; 303.13, subdivision 2; 303.14, subdivision 1; and 303.17, subdivision 4; proposing coding for new law in Minnesota Statutes, chapter 5.

Reported the same back with the following amendments:

Page 6, line 6, before the second period insert "through June 30, 1991"

With the recommendation that when so amended the bill pass.

The report was adopted.

Anderson, G., from the Committee on Appropriations to which was referred:

H. F. No. 215, A bill for an act relating to game and fish; providing for restitution for wild animals that are illegally killed or injured; restricting expenditures from restitution to replacement and propagation of wild animals illegally killed or injured; amending Minnesota Statutes 1988, section 97A.065, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapter 97A.

Reported the same back with the following amendments:

Page 3, line 15, delete "to 3" and insert "and 2" and delete "August" and insert "November"

Page 3, line 16, after the period insert "Section 3 is effective the day after final enactment."

With the recommendation that when so amended the bill pass.

The report was adopted.

Anderson, G., from the Committee on Appropriations to which was referred:

H. F. No. 341, A bill for an act relating to public safety; proposing the emergency planning and community right-to-know act; requiring reports on hazardous substances and chemicals; creating an emergency response commission; providing penalties; amending Minnesota Statutes 1988, section 609.671, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapter 299F.

Reported the same back with the following amendments:

Page 2, lines 20 and 21, delete "15" and insert "17"

Page 2, line 25, delete "community groups,"

Page 2, line 26, after the comma, insert "three representatives of community groups or the public,"

Page 2, after line 27, insert:

"(c) At least four of the appointed members must reside outside the metropolitan area, as defined in section 473.121, subdivision 2."

Page 2, line 28, delete "(c)" and insert "(d)"

With the recommendation that when so amended the bill pass.

The report was adopted.

Anderson, G., from the Committee on Appropriations to which was referred:

H. F. No. 785, A bill for an act relating to claims against the state; providing for payment of various claims; appropriating money.

Reported the same back with the following amendments:

Page 1, after line 15, insert:

"Subd. 3. Jay Dorman, Minnesota correctional facility - Stillwater, Box 55, Stillwater, Minnesota 55082, for loss of the tip of his left index finger, a disability of two and one-half percent of his whole body, while performing assigned duties at the Minnesota correctional facility - Stillwater \$1,875.00."

Renumber the subdivisions in sequence

Page 5, after line 1, insert:

"Sec. 3. [DEPARTMENT OF TRANSPORTATION.]

Subdivision 1. The sum set forth in this section is appropriated from the trunk highway fund to the commissioner of transportation for payment to the person named in full and final payment of a claim against the state. The appropriation is available until June 30, 1990.

Subd. 2. Slayton Township, c/o Gail Johanson, Clerk, Rural Route 1, Slayton, Minnesota 56172, for gravel and grading of township roads that were used as an alternative to a state-established detour route \$2,491.60."

Page 5, line 2, delete "3" and insert "4"

With the recommendation that when so amended the bill pass.

The report was adopted.

Anderson, G., from the Committee on Appropriations to which was referred:

H. F. No. 892, A bill for an act relating to public safety; changing the definition of "dwelling"; authorizing more stringent local smoke detector requirements; creating the position of public fire safety educator; appropriating money; amending Minnesota Statutes 1988, section 299F.362, subdivisions 1, 9, and by adding a subdivision.

Reported the same back with the following amendments:

Page 2, delete section 3

Page 2, line 27, delete "4" and insert "3"

Page 2, line 28, delete "\$" and insert "\$114,000"

Page 2, line 30, delete "\$" and insert "\$60,000"

Page 2, line 31, delete "\$" and insert "\$54,000"

Page 2, line 34, delete "for" and insert a period

Page 2, delete line 35

Amend the title as follows:

Page 1, delete line 7, and insert "subdivisions 1 and 9."

With the recommendation that when so amended the bill pass.

The report was adopted.

Anderson, G., from the Committee on Appropriations to which was referred:

H. F. No. 907, A bill for an act relating to public safety; providing for authority to regulate pipelines; imposing penalties; amending Minnesota Statutes 1988, sections 116I.01, subdivision 3; 116I.05; 216D.01, subdivisions 9 and 10, and by adding a subdivision; 299F.56, subdivisions 5 and 6a; 299F.57; 299F.59, subdivision 1; 299F.60; 299F.61; 299F.62; 299F.63; 299F.631; 299F.641; 299J.01; 299J.03, subdivision 2; 299J.04; 299J.06, subdivision 2; 299J.08; 299J.10; 299J.11; 299J.12; and 299J.16; proposing coding for new law in Minnesota Statutes, chapter 216D; repealing Minnesota Statutes 1988, sections 299J.05 and 299J.09.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1988, section 116I.01, subdivision 3, is amended to read:

Subd. 3. "Pipeline" means pipe a pipeline located in this state which is used to transport natural or synthetic gas at a pressure of more than 90 pounds per square inch, or to transport crude petroleum or petroleum fuels or oil or their derivatives, coal, anhydrous ammonia or any mineral slurry to a distribution center or storage facility which is located within or outside of this state. "Pipeline" does not include a pipeline owned or operated by a natural gas public utility as defined in section 216B.02, subdivision 4.

Sec. 2. Minnesota Statutes 1988, section 116I.05, is amended to read:

116L05 [INTERSTATE GAS PIPELINES; FEDERAL EMINENT DOMAIN; CONDITIONS NOT APPLICABLE.]

Any person that proposes to construct or operate an interstate natural gas pipeline and that has power to acquire an easement or right-of-way agreement for that pipeline by an action in eminent domain under the authority of the federal Natural Gas Act, United States Code, title 15, chapter 15B, shall not be required to comply with the provisions of sections ~~116L02~~ 116L015 to 116L04 as a condition of acquiring the easement or, right-of-way pursuant to that action, or route.

Sec. 3. Minnesota Statutes 1988, section 216D.01, is amended by adding a subdivision to read:

Subd. 1a. [COMMISSIONER.] "Commissioner" means the commissioner of public safety.

Sec. 4. Minnesota Statutes 1988, section 216D.01, subdivision 9, is amended to read:

Subd. 9. [OPERATOR.] "Operator" means a person who owns or operates an underground facility. A person is not considered an operator solely because the person is an owner or tenant of real property where underground facilities are located if the underground facilities are used exclusively to furnish services or commodities on that property, unless the person is the state, a state agency, or a local governmental unit.

Sec. 5. Minnesota Statutes 1988, section 216D.01, subdivision 10, is amended to read:

Subd. 10. [PERSON.] "Person" means the state, a public agency, a local governmental unit, an individual, corporation, partnership, association, or other business or public entity or a trustee, receiver, assignee, or personal representative of any of them.

Sec. 6. [216D.08] [CIVIL PENALTIES.]

Subdivision 1. [PENALTY.] A person who is engaged in excavation for remuneration or an operator other than an operator subject to section 11 who violates sections 216D.01 to 216D.07 is subject to a civil penalty to be imposed by the commissioner not to exceed \$500 for each violation per day of violation. An operator subject to section 11 who violates sections 216D.01 to 216D.07 is subject to a civil penalty to be imposed under section 299F.60.

Subd. 2. [SETTLEMENT.] The commissioner may negotiate a compromise settlement of a civil penalty. In determining the amount of the penalty, or the amount of the compromise settlement,

the commissioner shall consider the appropriateness of the penalty to the size of the business of the person charged, the gravity of the violation, and the good faith of the person charged in attempting to achieve compliance, after notification of a violation. The contested case and judicial review provisions of chapter 14 apply to the orders of the commissioner imposing a penalty under sections 216D.01 to 216D.07. The amount of the penalty, when finally determined, may be deducted from sums owing by the state of Minnesota to the person charged.

Subd. 3. [CREDITED TO PIPELINE SAFETY ACCOUNT.] Penalties collected under this section must be deposited in the state treasury and credited to the pipeline safety account to be applied to the reduction of expenses or costs assessed by the commissioner against persons regulated under this chapter.

Subd. 4. [RULES.] The commissioner shall adopt rules establishing reasonable guidelines for imposing penalties. The rules must provide for notice that a penalty is assessed and may exempt activities from penalties unless the excavator or operator as defined in this section has evidenced a course of action in disregard of this chapter.

Sec. 7. [216D.09] [INJUNCTIVE RELIEF.]

Subdivision 1. [JURISDICTION.] The district courts of the state of Minnesota have jurisdiction, subject to the provisions of the statutes and the rules of practice and procedure of the state of Minnesota relative to civil actions in the district courts, to restrain violations of sections 216D.01 to 216D.07, on petition by the attorney general on behalf of the state of Minnesota. When practicable, the commissioner shall give notice to a person against whom an action for injunctive relief is contemplated and afford the person an opportunity to present views and, except in the case of a knowing and willful violation, shall afford the person reasonable opportunity to achieve compliance. However, the failure to give the notice and afford an opportunity to present views does not preclude the granting of appropriate relief.

Subd. 2. [VENUE.] Actions under this section must be brought in district court in the district where the defendant's principal place of business in the state is located, and process in these cases may be served in any other district in the state of Minnesota where the defendant may be found or in which the defendant is an inhabitant or transacts business.

Sec. 8. Minnesota Statutes 1988, section 299F.56, subdivision 5, is amended to read:

Subd. 5. "Transportation of gas" means the gathering, transmission, or distribution of gas or hazardous liquid by pipeline or its

storage; except that it shall not include any such transportation of gas or hazardous liquid which is subject to the jurisdiction of the Federal Power Energy Regulatory Commission under the Natural Gas Act of the United States and the federal Hazardous Liquid Pipeline Safety Act, or the gathering of gas or hazardous liquid in those rural locations which lie outside the limits of any incorporated or unincorporated city, town, or any other designated residential or commercial area such as a subdivision, a business or shopping center, a community development or any similar populated area which the state fire marshal office of pipeline safety may define as a nonrural area.

Sec. 9. Minnesota Statutes 1988, section 299F.56, subdivision 6a, is amended to read:

Subd. 6a. "Hazardous liquid pipeline facilities" includes, without limitation, new and existing pipe, rights-of-way, and any equipment, facility, or building used or intended for use in the transportation of hazardous liquids including transportation by gravity or at a stress level of 20 percent or less of the specified minimum yield strength of the pipe.

Sec. 10. Minnesota Statutes 1988, section 299F.57, is amended to read:

299F.57 [MINIMUM SAFETY STANDARDS; GAS PIPELINES.]

Subdivision 1. The commissioner shall, by order, may by rule establish minimum additional or more stringent safety standards for the transportation of gas and gas pipeline facilities. Such standards may apply to the design, installation, inspection, testing, construction, extension, operation, replacement, and maintenance of gas pipeline facilities. These standards may include a requirement that individuals responsible for the operation and maintenance of gas pipeline facilities be tested for qualifications and certified to perform these functions. The standards may not prescribe the location or routing of a pipeline facility. Standards affecting the design, installation, construction, initial inspection, and initial testing shall not be applicable to pipeline facilities in existence on the date such standards are adopted. Such safety standards shall be practicable and designed to meet the need for pipeline safety. In prescribing such standards, the commissioner shall consider:

- (a) relevant available pipeline safety data;
- (b) whether such standards are appropriate for the particular type of pipeline transportation;
- (c) the reasonableness of any proposed standards;

(d) the extent to which any such standards will contribute to public safety; and

(e) the existing standards established by the Secretary of Transportation of the United States pursuant to the federal Natural Gas Pipeline Safety Act.

Provided, however, that the commissioner shall not be empowered to adopt any such standards as to the transportation of gas or to pipeline facilities which are subject to the jurisdiction of the Federal Energy Regulatory Commission under the Natural Gas Act of the United States, except as provided in sections 299J.01 to 299J.17.

Subd. 1a. [ADOPTION OF FEDERAL STANDARDS.] The federal safety standards adopted as Code of Federal Regulations, title 49, parts 191, 192, and 193, and standards that may be adopted that amend parts 191, 192, and 193, are adopted as minimum safety standards.

Subd. 2. Any standards prescribed under this section, and amendments thereto, shall become effective 30 days after the date of issuance of such standards unless the commissioner, for good cause recited, determines an earlier or later effective date is required as the result of the period reasonably necessary for compliance.

Subd. 3. The rulemaking, contested case and judicial review provisions of chapter 14, shall apply to all rules and orders establishing, amending, revoking, or waiving compliance with, any standard established under sections 299F.56 to 299F.64 299F.641 or any penalty imposed under sections 299F.56 to 299F.64 299F.641. The commissioner shall afford interested persons an opportunity to participate fully in the establishment of such safety standards through submission of written data, views or arguments, with opportunity to present oral testimony and argument.

Subd. 4. The commissioner, on finding a particular facility to be hazardous to life or property, shall be empowered to require the person operating such facility to take such steps necessary to remove such hazards.

Subd. 5. Upon application by any person engaged in the transportation of gas or the operation of pipeline facilities, the commissioner may, after notice and opportunity for hearing and under such terms and conditions and to such extent as the commissioner deems appropriate, waive in whole or in part compliance with any standards established under sections 299F.56 to 299F.64, on determining that a waiver of compliance with such standard is not inconsistent with gas pipeline safety. The commissioner shall state the reasons for any such waiver.

Sec. 11. Minnesota Statutes 1988, section 299F.59, subdivision 1, is amended to read:

Subdivision 1. Each person who engages in the transportation of gas or hazardous liquids or who owns or operates gas or hazardous liquid pipeline facilities shall:

(a) (1) at all times after the date any applicable safety standard established under sections 299F.56 to 299F.641 takes effect comply with the requirements of such standard;

(b) (2) file and comply with a plan of inspection for operation and maintenance required by sections 299F.56 to 299F.641; and

(c) (3) permit access to or copying of records, and make reports or provide information, and permit entry or inspection, as required by sections 299F.56 to 299F.641 and the standards adopted or orders issued under sections 299F.56 to 299F.641; and

(4) comply with sections 216D.01 to 216D.07, the one call excavation notice system.

Sec. 12. Minnesota Statutes 1988, section 299F.60, is amended to read:

299F.60 [CIVIL PENALTIES.]

Subdivision 1. Any person who violates any provision of sections 299F.56 to 299F.64 299F.641, or any rule issued thereunder, shall be subject to a civil penalty to be imposed by the commissioner not to exceed \$10,000 for each such violation for each day that such violation persists, except that the maximum civil penalty shall not exceed ~~\$200,000~~ \$500,000 for any related series of violations.

Subd. 2. The commissioner may negotiate a compromise settlement of a civil penalty. In determining the amount of such penalty, or the amount of the compromise settlement, the commissioner shall consider the appropriateness of such penalty to the size of the business of the person charged, the gravity of the violation, and the good faith of the person charged in attempting to achieve compliance, after notification of a violation. The contested case and judicial review provisions of chapter 14 shall apply to all orders of the commissioner imposing any penalty under for violations of sections 299F.56 to 299F.64 299F.641 or under any rule promulgated thereunder. The amount of such penalty, when finally determined, may be deducted from any sums owing by the state of Minnesota to the person charged.

Subd. 3. No person shall be subjected to civil penalties under both sections 299F.56 to 299F.64 299F.641 and under Public Law Num-

ber 90-481, Statutes at Large, volume 82, page 720, 90th Congress, S. 1166, approved August 12, 1968 the federal Natural Gas Pipeline Safety Act or the federal Hazardous Liquid Pipeline Safety Act, for conduct which may give rise to a violation of both acts.

Subd. 4. All penalties collected under sections 299F.56 to 299F.64 299F.641 shall be paid over to the state treasurer for deposit in the state treasury to the credit of the pipeline safety account.

Subd. 5. [RULES.] The commissioner shall adopt rules establishing reasonable guidelines for imposing penalties. The rules must treat separately and distinguish between violations that relate to hazardous liquid pipelines, gas pipelines, and other pipelines; must provide for notice that a penalty is assessed; and may exempt activities from penalties unless the person has evidenced a course of action in disregard of this chapter.

Sec. 13. Minnesota Statutes 1988, section 299F.61, is amended to read:

299F.61 [INJUNCTIVE RELIEF.]

Subdivision 1. The district courts of the state of Minnesota shall have jurisdiction, subject to the provisions of the statutes and the rules of practice and procedure of the state of Minnesota relative to civil actions in the district courts, to restrain violations of sections 299F.56 to 299F.64 299F.641, including the restraint of transportation of gas or hazardous liquid or the operation of a pipeline facility, or to enforce standards established hereunder under sections 299F.56 to 299F.641 upon petition by the attorney general on behalf of the state of Minnesota. Whenever practicable, the commissioner shall give notice to any person against whom an action for injunctive relief is contemplated and afford the person an opportunity to present views, and, except in the case of a knowing and willful violation, shall afford the person reasonable opportunity to achieve compliance. However, the failure to give such notice and afford such opportunity shall not preclude the granting of appropriate relief.

Subd. 2. Actions under sections 299F.56 to 299F.64 299F.641 shall be brought in the district in the state of Minnesota wherein the defendant's principal place of business is located, and process in such cases may be served in any other district in the state of Minnesota where the defendant may be found or of which the defendant is an inhabitant or transacts business.

Sec. 14. Minnesota Statutes 1988, section 299F.62, is amended to read:

299F.62 [PLAN FOR INSPECTION OPERATION AND MAINTENANCE; GAS PIPELINES.]

Each person who engages in the transportation of gas or who owns or operates gas pipeline facilities subject to sections 299F.56 to 299F.64 299F.641 shall prepare, maintain, carry out, and file with the commissioner a plan for ~~inspection~~ operation and maintenance of each such pipeline facility owned or operated by such person, and any changes in such plan, in accordance with the rules prescribed by the commissioner. On finding that such plan is inadequate to achieve safe operation, the commissioner shall, after notice and opportunity for a hearing, require such plan to be revised. The plan required by the commissioner shall be practicable and designed to meet the need for pipeline safety. In determining the adequacy of any such plan, the commissioner shall consider the following:

- (a) relevant available pipeline safety data;
- (b) whether the plan is appropriate for the particular type of pipeline transportation;
- (c) the reasonableness of the plan; and
- (d) the extent to which such plan will contribute to public safety.

Sec. 15. Minnesota Statutes 1988, section 299F.63, is amended to read:

299F.63 [RECORDS AND REPORTS; INSPECTIONS; TRADE SECRETS.]

Subdivision 1. (a) The commissioner may, to the extent necessary to carry out the enforcement responsibilities of sections 299F.56 to 299F.641, conduct investigations, make reports, issue subpoenas, require the production of relevant documents and records, take depositions, and conduct research, testing, development, demonstration, and training activities.

(b) The commissioner may require each person who engages in the transportation of gas or hazardous liquid or who owns or operates gas pipeline facilities shall to establish and maintain such records, and to make such reports, and provide such information as to the commissioner may reasonably require. The records and other information must be made available as the commissioner orders to enable the commissioner to determine whether such the person has acted or is acting in compliance with sections 299F.56 to 299F.64 299F.641 and the standards established adopted or orders issued under sections 299F.56 to 299F.64 299F.641. Each such person shall, upon request of an officer, employee, or agent authorized by the commissioner, permit such officer, employee, or agent to inspect books, papers, records and documents relevant to determining

- (c) Officers, employees, and agents authorized by the commis-

tioner, on presenting appropriate credentials to the person in charge, may enter upon, inspect, and examine, at reasonable times and in a reasonable manner, the records and properties of a person subject to regulation under sections 299F.56 to 299F.641 to the extent the records and properties are relevant to determine whether such the person has acted or is acting in compliance with those sections 299F.56 to 299F.64 and the standards established pursuant to adopted under those sections 299F.56 to 299F.64. For purposes of enforcement of sections 299F.56 to 299F.64, officers, employees, or agents authorized by the commissioner, upon presenting appropriate credentials to the individual in charge, are authorized to enter upon, at reasonable times, gas pipeline facilities, and to inspect, at reasonable times and within reasonable limits and in a reasonable manner, such facilities. Each such inspection shall be commenced and completed with reasonable promptness.

(d) An accident report made by an officer, employee, or agent of the office of pipeline safety is available for use in a civil, criminal, or other judicial proceeding arising out of the accident. The officer, employee, or agent may be required to testify in the proceedings as to the facts developed in the investigation. A report made available to the public need not identify individuals. Reports on research projects, demonstration projects, and other related activities are public information.

(e) All information reported to or otherwise obtained by the commissioner under sections 299F.56 to 299F.641 that contains or relates to a trade secret referred to in United States Code, title 18, section 1905, is confidential for the purpose of that section, and is private or nonpublic data as defined in section 13.02. However, the information may be disclosed to other officers or employees authorized to enforce sections 299F.56 to 299F.641. Nothing in this section authorizes the withholding of information by the commissioner from a duly authorized committee of the legislature or the United States Congress.

Subd. 2. The commissioner must establish and implement an inspection program to enforce the standards adopted under section 299F.57. The program must be established and implemented in a manner that complies with requirements for state certification under United States Code, title 49, section 1674. In the course of the exercise of duties and responsibilities under sections 299F.56 to 299F.64 299F.641, the commissioner shall wherever practicable employ a practice of spot checking and issuance of certificates of compliance, with respect to persons subject to sections 299F.56 to 299F.64, to limit costs of enforcement of the safety standards established pursuant to sections 299F.56 to 299F.64 299F.641.

Subd. 3. All information reported to or otherwise obtained by the commissioner or a representative, which contains or relates to a trade secret, as referred to in section 1905 of title 18 of the United

States Code, or otherwise constitutes a trade secret under law, shall be considered confidential for the purpose of such laws, and is private or nonpublic data as defined in section 13.02. This data may be disclosed to other officers or employees concerned with carrying out sections 299F.56 to 299F.64 or when relevant in any proceeding under sections 299F.56 to 299F.64.

Sec. 16. Minnesota Statutes 1988, section 299F.631, is amended to read:

299F.631 [INSPECTION FEE.]

Subdivision 1. [ASSESSMENT AND DEPOSIT OF FEE.] From each pipeline operator subject to the intrastate pipeline inspection authority under sections 299F.56 to 299F.641, the commissioner shall assess and collect an inspection fee in an amount calculated under subdivisions 2 and 4. The assessment of the inspection fee must be made no fewer than 30 days after the end of the quarter. If an operator does not pay the fee within 60 days after the assessment was mailed, the commissioner may impose a delinquency fee of ten percent of the quarterly inspection fee and interest at the rate of 15 percent per year on the portion of the fee not paid. Fees collected under this section must be credited to the pipeline safety account.

Subd. 2. [CALCULATION OF FEE.] (a) For each quarter that an inspection fee is to be assessed, the commissioner shall calculate the total actual expenses and obligations incurred by the office of pipeline safety in implementing sections 299F.56 to 299F.641. The calculation must not include:

- (1) expenses that will be reimbursed by the federal government;
- (2) expenses attributable to follow-up inspections necessitated by the failure of a pipeline facility to comply with safety standards;
- (3) expenses attributable to investigations of specific pipeline facilities;
- (4) expenses attributable to inspections of newly constructed pipelines over 2,000 feet in length;
- (5) expenses attributable to the inspection of facilities carrying liquefied natural gas, and hazardous liquids; and
- (6) expenses attributable to the inspection of facilities carrying liquefied petroleum gas, until the commissioner adopts a rule providing for metered billing of these facilities; and
- (7) expenses attributable to seeking and maintaining federal interstate agent status.

(b) The commissioner shall assess each pipeline operator for a pro rata share of the expenses and obligations calculated under paragraph (a), based on the number of meters in service on the preceding December 31.

(c) The expenses and obligations described in paragraph (a), clauses (2), (3), (4), and (5) must be directly charged to the appropriate pipeline operators on a quarterly basis. The expenses and obligations described in paragraph (a), clause (6), must be directly charged to the appropriate pipeline operators on a quarterly basis until the commissioner adopts a rule providing for metered billing of facilities carrying liquefied petroleum gas.

Subd. 3. [EMERGENCY RULES.] The commissioner ~~may~~ shall adopt ~~emergency~~ rules to implement this section.

Subd. 4. [SUPPORT COSTS.] The commissioner shall calculate the general support costs of the office of pipeline safety for the preceding quarter, and add to the inspection fee calculated under subdivision 2 the share of those costs that is proportionate to the amount of time spent by the office in implementing sections 299F.56 to 299F.641 with respect to that type of pipeline operator facility.

Sec. 17. Minnesota Statutes 1988, section 299F.641, is amended to read:

299F.641 [INTRASTATE HAZARDOUS LIQUID PIPELINES.]

Subdivision 1. [JURISDICTION.] The commissioner has regulatory jurisdiction over the safety standards and practices of intrastate hazardous liquid pipeline facilities and the transportation of hazardous liquids associated with those facilities.

Subd. 2. [FEDERAL STANDARDS ADOPTED.] The federal safety standards adopted as Code of Federal Regulations, title 49, part 195, and standards that may be adopted that amend part 195, are adopted as minimum safety standards. The commissioner ~~may~~ by rule adopt additional or more stringent safety standards for intrastate hazardous liquid pipeline facilities and the transportation of hazardous liquids associated with those facilities, if the state standards are compatible with the federal standards. The standards may not prescribe the location or routing of a pipeline facility.

Subd. 3. [ENFORCEMENT.] The commissioner must establish and implement an inspection program to enforce the standards adopted under subdivision 2. The program must be established and implemented in a manner that ~~fully~~ complies with requirements for state certification under United States Code, title 49, section 2004.

Subd. 4. [PROTECTION OF PIPELINE FACILITIES.] The com-

missioner must encourage and promote programs designed to prevent damage to hazardous liquid pipeline facilities as a consequence of demolition, excavation, tunneling, or construction activity.

Subd. 5. [INVESTIGATIONS; RECORD KEEPING.] (a) The commissioner may, to the extent necessary to carry out the enforcement responsibilities of this section, conduct investigations, make reports, issue subpoenas, conduct hearings, require the production of relevant documents and records, take depositions, and conduct research, testing, development, demonstration, and training activities.

(b) The commissioner may require each person who engages in the transportation of hazardous liquids or who owns or operates pipeline facilities to establish and maintain records, and to make reports and provide information to the commissioner. The records and other information must be made available as the commissioner orders to enable the commissioner to determine whether the person has acted or is acting in compliance with this section and the standards or orders adopted under this section.

(c) Officers, employees, or agents authorized by the commissioner, on presenting appropriate credentials to the person in charge, may enter upon, inspect, and examine, at reasonable times and in a reasonable manner, the records and properties of persons to the extent the records and properties are relevant to determine whether the persons have acted or are acting in compliance with this section and the standards adopted under this section.

(d) An accident report made by an officer, employee, or agent of the office of pipeline safety is available for use in any civil, criminal, or other judicial proceeding arising out of the accident. The officer, employee, or agent may be required to testify in the proceedings as to the facts developed in the investigation. A report made available to the public need not identify individuals. All reports on research projects, demonstration projects, and other related activities are public information.

(e) All information reported to or obtained by the commissioner under this subdivision that contains or relates to a trade secret referred to in United States Code, title 18, section 1905, is confidential for the purpose of that section, except that the information may be disclosed to other officers or employees concerned with enforcing this section. Nothing in this section authorizes the withholding of information by the commissioner from a duly authorized committee of the legislature.

Subd. 5a. [WAIVER.] On application of a person engaged in the transportation of hazardous liquid or the operation of hazardous liquid pipeline facilities, the commissioner may, after notice and opportunity for hearing and under terms and conditions and to the

extent the commissioner considers appropriate, waive in whole or in part compliance with standards established under this section, on determining that a waiver of compliance with a standard is consistent with hazardous liquid pipeline safety. The commissioner shall state the reason for a waiver.

Subd. 6. [INSPECTION OPERATION AND MAINTENANCE PLAN.] (a) Each person who engages in the transportation of hazardous liquids or who owns or operates hazardous liquid pipeline facilities must prepare, maintain, and carry out a current written plan for inspection operation and maintenance of each facility used in that transportation and owned or operated by that person as prescribed by the commissioner. The commissioner may, by regulation, also require persons who engage in the transportation of hazardous liquids or who own or operate pipeline facilities subject to this section to file the plans for approval. A plan required by this subdivision must be practicable, designed to meet the need for pipeline safety, and available to the commissioner on request. The plan must enhance the commissioner's ability to discover a condition that causes a significant change or restriction in the operation of the pipeline facilities or constitutes a hazard to life or property.

(b) If the commissioner finds that a plan required under this subdivision is inadequate to achieve safe operation of pipeline facilities, the commissioner may, after notice and opportunity for a hearing, require the plan to be revised. In determining the adequacy of a plan filed under this section, the commissioner shall consider:

- (1) relevant available pipeline safety data;
- (2) whether the plan is appropriate for the particular type of pipeline transportation or facility;
- (3) the reasonableness of the plan; and
- (4) the extent to which the plan will contribute to public safety.

Subd. 7. [ANNUAL CERTIFICATION REPORT.] The commissioner must file an annual certification report with the secretary of the federal Department of Transportation. The report must include:

- (1) the name and address of each person subject to the safety jurisdiction of the commissioner under this section;
- (2) all accidents or incidents reported during the preceding 12 months by each person that involved personal injury requiring hospitalization, fatality, or property damage exceeding \$5,000 (whether or not sustained by a person subject to the safety jurisdiction of the office), and all other significant accidents, together with

a summary of the commissioner's investigation as to the cause and circumstances surrounding the accident or incident;

(3) the record maintenance, reporting, and inspection program carried out by the commissioner to enforce compliance with the federal safety standards, including a detailed description of the number of inspections made of pipeline facilities during the preceding 12 months; and

(4) other information as the commissioner or federal law or rule may require.

The report included with the first annual certification need not show information unavailable at that time. is authorized to make certifications and reports to the United States Secretary of Transportation as may be required from time to time under the federal Hazardous Liquid Pipeline Safety Act.

Subd. 8. [CIVIL RELIEF.] The safety standards adopted under this section may be enforced as is provided for gas pipeline facilities under sections 299F.60 and 299F.61, and penalties collected must be paid to the commissioner for deposit in the state treasury and credit to the pipeline safety account.

Sec. 18. Minnesota Statutes 1988, section 299J.01, is amended to read:

299J.01 [AUTHORITY OF OFFICE OF PIPELINE SAFETY.]

The commissioner of public safety shall, to the extent authorized by agreement with the United States Secretary of Transportation, act as agent for the United States Secretary of Transportation to implement the federal Hazardous Liquid Pipeline Safety Act, United States Code, title 49, sections 2001 to 2014, the federal Natural Gas Pipeline Safety Act, United States Code, title 49, sections 1671 to 1686, and federal pipeline safety regulations with respect to interstate pipelines located within this state, ~~as necessary to obtain annual federal certification.~~ The commissioner shall, to the extent authorized by federal law, regulate pipelines in the state as authorized by sections 299J.01 to 299J.17 and 299F.56 to ~~299F.64~~ 299F.641.

Sec. 19. Minnesota Statutes 1988, section 299J.03, subdivision 2, is amended to read:

Subd. 2. [QUALIFICATIONS.] (a) The director of the office must be knowledgeable in the operation and safety aspects of pipelines.

(b) Inspectors must have scientific or technical training or expe-

rience that demonstrates in-depth knowledge of pipeline engineering technology and pipeline safety.

(c) Inspectors shall complete courses at the transportation safety institute and be certified by the institute as soon as possible following appointment.

(d) Inspectors shall meet the qualifications established by the federal government in order for the state to participate in the pipeline safety grant programs under the federal Natural Gas Pipeline Safety Act and the federal Hazardous Liquid Pipeline Safety Act.

Sec. 20. Minnesota Statutes 1988, section 299J.04, is amended to read:

299J.04 [DUTIES OF THE OFFICE OF PIPELINE SAFETY.]

Subdivision 1. [GENERAL DUTIES.] The commissioner shall:

(1) promote the use of the 911 emergency telephone system as an appropriate method for the public to notify emergency responders of an emergency release;

(2) provide training on a regular basis to all potentially affected local governmental units in pipeline incident contingency planning and emergency response by itself or in cooperation with pipeline operators, other state offices, or local governmental units;

(3) require local governmental units to work with pipeline owners to provide a program of continuing public education on the subject of pipeline operation and safety;

(4) monitor and gather information on the development of reliable pipeline technologies capable of detecting and geographically locating pipeline releases, use the information gathered in the development of rules as provided in this section, and report to the legislature every two years in the manner provided by section 3.195 on the activities of the office under this clause;

(5) enforce sections 216D.01 to 216D.09, as provided in sections 216D.08 and 216D.09;

(2) maintain a data base of all pipeline emergency releases, which must be based on annual reports from all pipeline operators;

(6) (3) inspect, as necessary, any record, map, or written procedure required by sections 299J.01 to 299J.17 to be kept by a pipeline operator concerning the reporting of emergency releases, and the

design, construction, testing, or operation and maintenance of pipelines; and

(7) (4) adopt rules to implement sections 299J.01 to 299J.17.

The rules adopted under clause (7) (4) must treat separately and distinguish between hazardous liquid and gas pipelines and must be compatible with federal laws and regulations.

Subd. 2. [DELEGATED DUTIES.] The commissioner shall seek and accept federal designation of the office's pipeline inspectors as federal agents for the purposes of enforcement of the federal Hazardous Liquid Pipeline Safety Act, United States Code, title 49, sections 2001 to 2014, the federal Natural Gas Pipeline Safety Act, United States Code, title 49, sections 1671 to 1686, and federal rules adopted to implement those acts. The commissioner shall establish and submit to the United States Secretary of Transportation an inspection program that complies with requirements for delegated interstate agent inspection authority. To the extent that federal delegation of interstate agent inspection authority permits, the inspection program for interstate pipelines must be the same as the inspection program for intrastate pipelines. If the United States Secretary of Transportation delegates inspection authority to the state as provided in this subdivision, the commissioner, at a minimum, shall do the following to carry out the delegated federal authority:

(1) inspect pipelines periodically at times determined by rules of the commissioner as specified in the inspection program;

(2) collect inspection fees; and

(3) order and oversee the testing of pipelines as provided in rules adopted under this section authorized by federal law and regulations; and

(4) file reports with the United States Secretary of Transportation as required to maintain the delegated inspection authority.

Subd. 3. [RULEMAKING CONTINGENT ON FEDERAL AUTHORITY.] (a) The commissioner shall consider adoption of rules on subjects in this subdivision if federal law authorizes the state regulation. The rules must treat separately and distinguish between hazardous liquid and gas pipelines.

(b) The commissioner shall consider higher safety margin requirements for operating pressures on pipelines located in populated or environmentally sensitive areas.

(c) The commissioner shall consider having pipeline operators

periodically submit comprehensive reports to the office on the condition of their pipelines, and requiring appropriate pipeline testing based on concerns identified in these reports. The testing requirements must apply more strictly to pipelines in populated or environmentally sensitive areas.

(d) The commissioner shall consider methods for pipeline operators to improve their ability to rapidly locate and isolate releases. The methods must include:

(1) remote control shutoff valves on all new pipelines, with the distance between the valves dependent on the type and density of development, the presence of environmentally sensitive areas; and the application of appropriate engineering standards;

(2) remotely monitored pressure gauges and flow meters installed at each pump station and remote valve location;

(3) specific emergency response procedures and training requirements for shutting down pumps; and

(4) use of reliable technology for detecting and geographically locating releases, and for shutting appropriate valves as rapidly as possible.

(e) The commissioner shall consider standards for the manufacture of pipe used in pipelines, pipeline construction, and pipeline operation. Best available technology in pipe manufacture, pipeline construction, and pipeline reconstruction must be required and developed in consultation with the commissioner of labor and industry.

Subd. 4. [RELATION TO OTHER LAW.] Rules adopted to implement sections 299J.01 to 299J.17 must be consistent with sections 299F.56 to 299F.64 to the extent that the rules deal with pipelines governed by those sections.

Sec. 21. Minnesota Statutes 1988, section 299J.05, is amended to read:

299J.05 [PIPELINE SETBACK ORDINANCE.]

(a) The commissioner shall adopt, by December 31, 1990, a model ordinance under chapter 14 requiring a setback from pipelines in areas where residential or other development is allowed. The model ordinance must apply only to new development and not to development that has occurred, or for which development permits have been issued, before the effective date of the ordinance.

(b) By August 1, 1989 1991, each statutory or home rule charter

city, town, or county that has planning and zoning authority under sections 366.10 to 366.19, 394.21 to 394.37, or 462.351 to 462.365, and in which a pipeline is located, shall adopt a pipeline setback ordinance that meets or exceeds the minimum standards of the model ordinance and is approved by the commissioner. The model ordinance applies in a jurisdiction where the local governmental unit does not adopt a setback ordinance that is approved by the commissioner by August 1, ~~1989~~ 1991.

Sec. 22. Minnesota Statutes 1988, section 299J.06, subdivision 2, is amended to read:

Subd. 2. [POWERS AND DUTIES.] The council shall advise the commissioner, director, and other appropriate federal, state, and local government agencies and officials on matters relating to pipeline safety and operation. The council shall advise the environmental quality board on implementation of sections 116I.015 and 116I.02, subdivisions 2 and 3, and the director and commissioner on the implementation of sections 216D.01 to 216D.07, 299F.56 to ~~299F.64~~ 299F.641, and 299J.01 to 299J.17, and shall review and comment on proposed rules and on the operation of the office of pipeline safety.

Sec. 23. Minnesota Statutes 1988, section 299J.08, is amended to read:

299J.08 [COMMISSIONER TO REPORT RELEASE; ADVICE AND COORDINATION.]

Upon receiving notice of an emergency release, the commissioner or a designee shall immediately report the emergency release to the emergency responder of the appropriate local government governmental unit, to the pollution control agency if the notice of the release is required by section 115.061, and to any other person or office, as provided by the rules or procedures of the office of pipeline safety. A pipeline operator's report of an emergency release to the commissioner satisfies the notification requirements of section 115.061. The commissioner shall advise the emergency responder concerning appropriate emergency procedures and coordinate the procedures. The commissioner shall also coordinate responses to pipeline accidents with the federal government according to procedures established by the United States Secretary of Transportation.

Sec. 24. Minnesota Statutes 1988, section 299J.10, is amended to read:

299J.10 [LOCAL GOVERNMENT EMERGENCY RESPONSE OPERATIONS PLAN.]

(a) A local governmental unit county or statutory or home rule

charter city having a pipeline within its jurisdiction shall prepare a pipeline release an emergency response operations plan and supporting documents that will include appropriate pipeline safety information. The format and content of the plan and supporting documents must be in agreement with the guidance and prototype planning documents provided by the department of public safety, division of emergency management. The local governmental unit county or statutory or home rule charter city must consult with the pipeline owner or operator when preparing the plan. Preparation of the plan must be coordinated by the county traversed by the pipeline for the other local governmental units within that county. The commissioner shall prescribe rules for the content of the plan. The plan must be completed and adopted by local governmental units within six months after the effective date of the rules prescribing the contents of the plan.

(b) A local governmental unit county or statutory or home rule charter city shall review and update its plan and supporting documents annually and amend it to reflect changes in the operation of the local governmental unit its operations, in the operation of the pipeline, or other matters relating to pipeline public safety. The annual review, update, and approval of the plan and supporting documents must be in accord with the guidance provided by the department of public safety, division of emergency management. The director may at any reasonable time examine a response an emergency operations plan required by this section.

Sec. 25. Minnesota Statutes 1988, section 299J.11, is amended to read:

299J.11 [ADOPTION OF FEDERAL PIPELINE INSPECTION RULES.]

To enable the state to act as an agent of the United States Secretary of Transportation and to qualify for annual federal certification to enforce the federal pipeline inspection program authorized by the Hazardous Liquid Pipeline Safety Act, United States Code, title 49, sections 2001 to 2014, the federal Natural Gas Pipeline Safety Act, United States Code, title 49, sections 1671 to 1686, and the rules implementing those acts, the federal pipeline inspection rules and safety standards, and regulations and standards that may be adopted that amend them, are adopted.

Sec. 26. Minnesota Statutes 1988, section 299J.12, is amended to read:

299J.12 [INTERSTATE PIPELINE INSPECTION FEE.]

Subdivision 1. [ASSESSMENT AND DEPOSIT OF FEE.] For each year quarter following the delegation to the state of the inspection authority described in section 299J.04, the commissioner

shall assess and collect from every interstate pipeline operator an inspection fee in an amount calculated under ~~subdivision~~ subdivisions 2 and 3. If an operator does not pay the fee within 60 days after the assessment was mailed, the commissioner may impose a delinquency fee of ten percent of the ~~annual~~ quarterly inspection fee and interest at the rate of 15 percent per year on the portion of the ~~annual~~ fee not paid. Fees collected by the commissioner under this section must be deposited in the pipeline safety account.

Subd. 2. [CALCULATION OF INSPECTION FEE.] For interstate pipelines subject to the inspection authority granted under sections 299J.01 to 299J.11, for each calendar year that an inspection fee is to be assessed, the commissioner shall calculate the total number of miles of pipeline to be inspected, the total cost of inspection, and the percentage of the total miles to be inspected that are or will be operated by each pipeline operator. Each pipeline operator must be assessed a portion of the total inspection costs equal to the percentage of the total miles of pipeline to be operated by the pipeline operator, but the total fee may not exceed \$5 for each mile of the operator's pipeline the expenses attributable to the inspection of each pipeline facility must be directly charged to the appropriate pipeline operators on a quarterly basis. The expenses must not include expenses that will be reimbursed by the federal government.

Subd. 3. [SUPPORT COSTS.] The commissioner shall calculate the amount of the general support costs of the office of pipeline safety for the preceding quarter that is proportionate to the amount of time spent by the office in implementing sections 299J.01 to 299J.18 and maintaining interstate agent status, including the costs incurred in seeking federal interstate agent status in the first quarter's calculations. The costs incurred in seeking federal interstate agent status must include the costs directly attributable to salaries, training, and other activities and costs related to obtaining interstate agent status, from the time that the request for interstate agent status is submitted by the commissioner to the United States Department of Transportation, to the time that approval of interstate agent status is granted. The calculated support cost must not include expenses that will be reimbursed by the federal government. Each interstate pipeline operator must be assessed on a quarterly basis a portion of the calculated support costs equal to the percentage of the total miles of pipeline operated by the pipeline operator in Minnesota.

Sec. 27. Minnesota Statutes 1988, section 299J.16, is amended to read:

299J.16 [CIVIL PENALTY; INJUNCTIVE RELIEF.]

Subdivision 1. [CIVIL PENALTY.] (a) A pipeline operator who violates section 299J.07, subdivision 1, ~~299J.09~~, or 299J.15, or the rules of the commissioner implementing those sections, shall forfeit

and pay to the state a civil penalty in an amount to be determined by the court as follows:

(1) for a violation of section 299J.09, up to \$10,000 for each day that the operator remains in violation; and

(2) for a violation of section 299J.07, subdivision 1, or 299J.15, up to \$100,000, subject to a maximum of \$500,000 for each violation a related series of violations.

(b) The penalty provided under this subdivision may be recovered by an action brought by the attorney general at the request of the commissioner, in the name of the state, in connection with an action to recover expenses of the director under section 299J.13, subdivision 4, or by a separate action:

(1) in the district court of Ramsey county; or

(2) in the county of the defendant's residence.

Subd. 2. [ACTION TO COMPEL PERFORMANCE; INJUNCTIVE RELIEF.] A person who fails to perform an act required by section 299J.09, 299J.13, or 299J.15, or the rules of the commissioner implementing those sections, may be compelled to do so by an action in district court brought by the attorney general at the request of the commissioner, in the name of the state.

Sec. 28. [REPEALER.]

Minnesota Statutes 1988, section 299J.09, is repealed."

Delete the title and insert:

"A bill for an act relating to public safety; providing for authority to regulate pipelines; imposing penalties; amending Minnesota Statutes 1988, sections 116I.01, subdivision 3; 116I.05; 216D.01, subdivisions 9, 10, and by adding a subdivision; 299F.56, subdivisions 5 and 6a; 299F.57; 299F.59, subdivision 1; 299F.60; 299F.61; 299F.62; 299F.63; 299F.631; 299F.641; 299J.01; 299J.03, subdivision 2; 299J.04; 299J.05; 299J.06, subdivision 2; 299J.08; 299J.10; 299J.11; 299J.12; and 299J.16; proposing coding for new law in Minnesota Statutes, chapter 216D; repealing Minnesota Statutes 1988, section 299J.09."

With the recommendation that when so amended the bill pass.

The report was adopted.

Anderson, G., from the Committee on Appropriations to which was referred:

H. F. No. 1046, A bill for an act relating to motor vehicles; setting fee for inspection of certain motor vehicles for which salvage certificate of title has been issued; amending Minnesota Statutes 1988, section 168A.152.

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

The report was adopted.

Anderson, G., from the Committee on Appropriations to which was referred:

H. F. No. 1280, A bill for an act relating to motor vehicles; providing for suspension of apportioned license plates and fuel tax compact licenses for certain interstate vehicle fleet owners who are delinquent in required filings or payments; providing for installment payments by interstate fleet owners; amending Minnesota Statutes 1988, sections 168.187, by adding a subdivision; and 168.31, subdivision 4, and by adding a subdivision.

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

The report was adopted.

Anderson, G., from the Committee on Appropriations to which was referred:

H. F. No. 1461, A bill for an act relating to drivers' licenses; appropriating money to the commissioner of public safety to improve driver license security and legibility.

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

The report was adopted.

SECOND READING OF HOUSE BILLS

H. F. Nos. 127, 215, 341, 785, 892, 907, 1046, 1280 and 1461 were read for the second time.

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

H. F. No. 931, A bill for an act relating to motor vehicles; requiring owner to retain certificate of title, rather than secured party; requiring buyer to deliver certificate of title to department of public safety; allowing commissioner of public safety to suspend or revoke certificate of title if owner does not surrender it and vehicle is involuntarily transferred; amending Minnesota Statutes 1988, sections 168A.02, subdivision 1; 168A.04, subdivision 2; 168A.05, subdivision 5; 168A.06; 168A.09; 168A.10; 168A.11, subdivision 1; 168A.12, subdivision 2; 168A.14; 168A.18; 168A.20, subdivision 1, and by adding subdivisions; 168A.23, subdivision 1; repealing Minnesota Statutes 1988, sections 168A.26; 168A.27; and 168A.28.

PATRICK E. FLAHAVEN, Secretary of the Senate

CONCURRENCE AND REPASSAGE

Kalis moved that the House concur in the Senate amendments to H. F. No. 931 and that the bill be repassed as amended by the Senate. The motion prevailed.

H. F. No. 931, A bill for an act relating to motor vehicles; requiring owner to retain certificate of title, rather than secured party; requiring buyer to deliver certificate of title to department of public safety; requiring a form for disclosure of the condition of a vehicle's pollution control equipment on the certificate of title; allowing commissioner of public safety to suspend or revoke certificate of title if owner does not surrender it and vehicle is involuntarily transferred; amending Minnesota Statutes 1988, sections 168A.02, subdivision 1; 168A.04, subdivision 2; 168A.05, subdivision 5, and by adding a subdivision; 168A.06; 168A.09; 168A.10; 168A.11, subdivision 1; 168A.12, subdivision 2; 168A.14; 168A.18; 168A.20, subdivision 1, and by adding subdivisions; 168A.23, subdivision 1; repealing Minnesota Statutes 1988, sections 168A.26; 168A.27; and 168A.28.

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

The question was taken on the repassage of the bill and the roll was called. There were 129 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Abrams	Ferichs	Krueger	Omann	Seaberg
Anderson, G.	Girard	Lasley	Onnen	Segal
Anderson, R.	Greenfield	Lieder	Orenstein	Simoneau
Battaglia	Gruenes	Limmer	Osthoff	Skoglund
Beard	Gutknecht	Long	Ostrom	Solberg
Begich	Hartle	Lynch	Ozment	Sparby
Bennett	Hasskamp	Macklin	Pappas	Stanius
Bertram	Haukoos	Marsh	Pauly	Steensma
Bishop	Heap	McDonald	Pellow	Sviggun
Blatz	Henry	McEachern	Pelowski	Swenson
Boo	Hugoson	McGuire	Peterson	Tjornhom
Brown	Jacobs	McLaughlin	Poppenhagen	Tompkins
Burger	Janezich	McPherson	Price	Trimble
Carlson, D.	Jaros	Milbert	Pugh	Uphus
Carlson, L.	Jefferson	Miller	Quinn	Valento
Carruthers	Jennings	Morrison	Redalen	Vellenga
Clark	Johnson, A.	Munger	Reding	Wagenius
Conway	Johnson, R.	Murphy	Rest	Waltman
Cooper	Johnson, V.	Nelson, C.	Rice	Weaver
Dauner	Kahn	Nelson, K.	Richter	Welle
Dawkins	Kalis	Neuenschwander	Rodosovich	Wenzel
Dempsey	Kelly	O'Connor	Rukavina	Williams
Dille	Kelso	Ogren	Sarna	Winter
Dorn	Kinkel	Olsen, S.	Schafer	Wynia
Forsythe	Knickerbocker	Olson, E.	Scheid	Spk. Vanasek
Frederick	Kostohryz	Olson, K.	Schreiber	

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. 472, A bill for an act relating to transportation; motor carriers; increasing maximum length of certain semitrailers; defining mobile cranes and providing for their maximum length; requiring a highway cost allocation study; amending Minnesota Statutes 1988, sections 169.01, by adding a subdivision; 169.81, subdivision 2; and 169.86, subdivision 5.

PATRICK E. FLAHAVEN, Secretary of the Senate

Kalis moved that the House refuse to concur in the Senate amendments to H. F. No. 472, that the Speaker appoint a Conference Committee of 3 members of the House, and that the House requests that a like committee be appointed by the Senate to confer on the disagreeing votes of the two houses. The motion prevailed.

The Speaker resumed the Chair.

GENERAL ORDERS

Wynia moved that the bills on General Orders for today be continued. 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. 372:

Kahn; Battaglia; Solberg; Carlson, D., and Osthoff.

MOTIONS AND RESOLUTIONS

Sviggum moved that the name of Swenson be added as an author on H. F. No. 1710. The motion prevailed.

Anderson, G., moved that S. F. No. 1105 be recalled from the Committee on Appropriations and together with H. F. No. 1280, now on Technical General Orders, be referred to the Chief Clerk for comparison. The motion prevailed.

Anderson, G., moved that S. F. No. 299 be recalled from the Committee on Appropriations and together with H. F. No. 215, now on Technical General Orders, be referred to the Chief Clerk for comparison. The motion prevailed.

Skoglund moved that H. F. No. 151 be returned to its author. The motion prevailed.

Olsen, S., moved that H. F. No. 325 be returned to its author. The motion prevailed.

Simoneau moved that S. F. No. 783, now on General Orders, be re-referred to the Committee on Governmental Operations. The motion prevailed.

There being no objection, the order of business reverted to Messages from the Senate.

MESSAGES FROM THE SENATE

The following message was received from the Senate:

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. 1759, A bill for an act relating to the organization and operation of state government; appropriating money for human services, jobs and training, corrections, health, veterans nursing homes, and other purposes with certain conditions; amending Minnesota Statutes 1988, sections 13.46, subdivision 2; 43A.27, subdivision 2; 62A.045; 62A.046; 62D.041, subdivision 1, and by adding a subdivision; 62D.042, subdivision 1; 62D.05, subdivision 6; 144.50, subdivision 6, and by adding a subdivision; 144.562, subdivisions 2 and 3; 144.651, subdivision 2; 144.698, subdivision 1; 144.701; 144.702, subdivision 2, and by adding subdivisions; 144A.01, subdivision 5, and by adding subdivisions; 144A.04, subdivision 7, and by adding subdivisions; 144A.071, subdivision 3; 144A.073, subdivision 1; 144A.10, subdivisions 5, 6a, and by adding subdivisions; 144A.11, subdivision 3, and by adding a subdivision; 144A.12, subdivision 1; 144A.15, subdivision 1, and by adding subdivisions; 144A.45, subdivision 2; 144A.46; 144A.61; 144A.611; 145.38, subdivision 1; 145.39, subdivision 1; 145.61, subdivision 5; 145.63; 145.882, subdivisions 1 and 7; 146.13; 147.02, subdivision 1; 148B.23, subdivision 1; 148B.27, subdivision 2; 148B.32, subdivision 2; 148B.40, subdivision 3; 148B.42, by adding a subdivision; 149.02; 149.06; 150A.06, subdivision 2a; 153A.13, subdivision 4; 153A.15, subdivision 3; 153A.16; 176.136, subdivisions 1 and 5; 214.04, subdivision 3; 214.06, subdivision 1; 237.70, subdivision 7; 237.701, subdivision 1; 245.461; 245.462; 245.463, subdivision 2, and by adding subdivisions; 245.464; 245.465; 245.466, subdivisions 1, 2, 5, and 6; 245.467, subdivisions 3, 4, and 5; 245.468; 245.469; 245.470, subdivision 1; 245.472, subdivision 1, and by adding a subdivision; 245.473, subdivision 1; 245.474; 245.476, subdivisions 1, 3, and by adding subdivisions; 245.477; 245.478, subdivisions 2 and 3; 245.479; 245.48; 245.482; 245.483; 245.484; 245.485; 245.486; 245.62, subdivision 3; 245.696, subdivision 2; 245.697, subdivisions 1, 2, and 2a; 245.713, subdivision 2; 245.73, subdivisions 1, 2, and 4; 245.771, subdivision 3; 245.91, by adding a subdivision; 245.94, subdivision 1, and by adding a subdivision; 245A.02, subdivisions 3, 9, 10, 14, and by adding a subdivision; 245A.03, subdivisions 1, 2, and 3; 245A.04, subdivisions 1, 3, 5, 6, 7, and by adding subdivisions; 245A.06, subdivisions 1, 5, and by adding a subdivision; 245A.07, subdivision 2; 245A.08, subdivision 5; 245A.095; 245A.12; 245A.13; 245A.14, subdivision 3, and by adding subdivisions; 245A.16, subdivision 1; 246.015; 246.18, subdivision 4; 246.36; 246.50, subdivi-

sions 3, 4, and 5; 246.54; 246.57, subdivision 1; 251.011, subdivision 4, and by adding a subdivision; 252.27, subdivision 1; 252.291, subdivision 2; 252.31; 252.41, subdivision 9; 252.46, subdivisions 1, 2, 3, 4, 6, and 12; 252.47; 252.50; 253.015; 254A.08, subdivision 2; 254B.02, subdivision 1; 254B.03, subdivisions 1 and 4; 254B.04, subdivision 2; 254B.06, subdivision 1; 254B.09, subdivisions 1, 4, and 5; 256.01, subdivision 2, and by adding a subdivision; 256.014, subdivision 1; 256.045, subdivisions 1, 3, 4, 4a, 5, 6, 7, 10, and by adding a subdivision; 256.12, subdivision 14; 256.73, subdivision 3a; 256.736, subdivisions 3, 3b, 4, 10, 11, 14, 16, and by adding subdivisions; 256.737; 256.74, subdivisions 1, 1a, and by adding a subdivision; 256.85; 256.87, subdivision 1a; 256.936, subdivisions 1, 2, and 4; 256.969; 256.974; 256.9741, subdivisions 3, 5, and by adding a subdivision; 256.9742; 256.9744, subdivision 1; 256.975, subdivision 2; 256B.031, subdivision 5; 256B.04, subdivision 14, and by adding a subdivision; 256B.055, subdivisions 7 and 8; 256B.056, subdivisions 3, 4, and 5; 256B.062; 256B.0625, subdivisions 2, 13, 17, and by adding subdivisions; 256B.091, subdivision 3; 256B.092, subdivision 7; 256B.14; 256B.25, by adding a subdivision; 256B.421, subdivision 14; 256B.431, subdivisions 2b, 2e, 2i, 3a, 3f, 3g, 4, and by adding subdivisions; 256B.47, subdivision 3; 256B.48, subdivisions 1, 6, and 8; 256B.501, subdivisions 3, 3g, and by adding subdivisions; 256B.69, subdivisions 4, 5, 11, and by adding a subdivision; 256C.28, subdivision 3, and by adding subdivisions; 256D.01, subdivisions 1, 1a, 1b, and 1c; 256D.02, subdivisions 1 and 4; 256D.03, subdivisions 2, 3, and 4; 256D.05, subdivision 1, and by adding a subdivision; 256D.051, subdivisions 1, 2, 3, 6, 8, 13, and by adding subdivisions; 256D.052, subdivisions 1, 2, 3, and 4; 256D.06, by adding a subdivision; 256D.101; 256D.111, subdivision 5; 256D.35, subdivisions 1, 7, and by adding subdivisions; 256D.36, subdivision 1, and by adding a subdivision; 256D.37, subdivision 1; 256E.03, subdivision 2; 256E.05, subdivision 3; 256E.08, subdivision 5; 256E.09, subdivisions 1 and 3; 256F.05, subdivisions 2, 3, and 4; 256F.07, subdivision 3a; 256H.01, subdivisions 1, 2, 7, 8, 11, and 12; 256H.02; 256H.03; 256H.05; 256H.08; 256H.09; 256H.10, subdivisions 2, 3, and by adding a subdivision; 256H.11; 256H.12; 256H.15; 256H.18; 256H.20, subdivision 3; 257.071, subdivision 7; 257.55, subdivision 1; 257.57, subdivision 1; 257.62, subdivision 5; 259.47, subdivision 5; 259.49, subdivision 2; 260.251, subdivision 1; 268.0111, subdivision 4, and by adding a subdivision; 268.0122, subdivisions 2 and 3; 268.08, subdivision 1; 268.31; 268.37, by adding a subdivision; 268.86, subdivision 2; 268.871, subdivision 5; 268.88; 287.12; 297.13, subdivision 1; 326.78, subdivision 2; 327.20, subdivision 1; 327C.02, subdivision 2; 357.021, subdivisions 2 and 2a; 517.08, subdivisions 1b and 1c; 518.54, subdivision 6; 518.551, subdivision 10, and by adding a subdivision; 518.611, subdivision 4; 518.613, subdivisions 1, 2, 4, and by adding a subdivision; 609.378; 626.556, subdivisions 2 and 10e; and 626.558; Laws 1984, chapter 654, article 5, section 57, subdivision 1, as amended; Laws 1987, chapter 403, article 3, section 98; Laws 1988, chapter 689, article 2, sections 248 and 269, subdivision 2; repealing Minnesota Statutes 1988, sections 144A.10, subdivision 4a; 150A.06, subdivision 7; 245.462, subdivision 25;

245.471; 245.475; 245.64; 245.698; 245.775; 245.83; 245.84; 245.85; 245.871; 245.872; 245.873; 245A.095, subdivision 3; 246.50, subdivisions 3a, 4a, and 9; 254B.09, subdivision 3; 254B.10; 256.87, subdivision 4; 256.969, subdivisions 2a, 3, 4, 5, and 6; 256B.0625, subdivision 21; 256B.17, subdivisions 1, 2, 3, 4, 5, 6, 7, and 8; 256B.69, subdivisions 12, 13, 14, and 15; 256D.01, subdivision 1c; 256D.051, subdivision 6a; 256D.052, subdivisions 5, 6, and 7; 256D.06, subdivisions 3, 4, and 6; 256D.35, subdivisions 2, 3, 4, and 8; 256D.36, subdivision 2; 256D.37, subdivisions 2, 4, 6, 7, 8, 9, 10, 11, 12, 13, and 14; 256D.38; 256D.39; 256D.41; 256D.42; 256D.43; 256E.08, subdivision 9; 256F.05, subdivision 1; 256H.04; 256H.05, subdivision 4; 256H.06; 256H.07, subdivision 4; 256H.13; 268.86, subdivision 7; 518.613, subdivision 5; Laws 1987, chapter 403, article 5, section 1; proposing coding for new law in Minnesota Statutes, chapters 144; 144A; 145; 157; 196; 245; 246; 251; 252; 253; 254A; 256; 256B; 256D; 256E; 256F; 256H; 259; 268; and 626; proposing coding for new law as Minnesota Statutes, chapter 256I.

PATRICK E. FLAHAVER, Secretary of the Senate

Anderson, G., moved that the House refuse to concur in the Senate amendments to H. F. No. 1759, 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.

ANNOUNCEMENT BY THE SPEAKER

The Speaker announced the appointment of the following members of the House to a Conference Committee on H. F. No. 1759:

Greenfield, Rodosovich, Murphy, Jennings and Anderson, R.

ADJOURNMENT

Wynia moved that when the House adjourns today it adjourn until 12:00 noon, Wednesday, May 10, 1989. The motion prevailed.

Wynia moved that the House adjourn. The motion prevailed, and the Speaker declared the House stands adjourned until 12:00 noon, Wednesday, May 10, 1989.

EDWARD A. BURDICK, Chief Clerk, House of Representatives

STATE OF MINNESOTA

SEVENTY-SIXTH SESSION—1989

FORTY-NINTH DAY

SAINT PAUL, MINNESOTA, WEDNESDAY, MAY 10, 1989

The House of Representatives convened at 12:00 noon and was called to order by Robert E. Vanasek, Speaker of the House.

Prayer was offered by Pastor John L. Easterwood of Richfield Evangelical Free Church, Richfield, Minnesota.

The roll was called and the following members were present:

Abrams	Frerichs	Krueger	Orenstein	Simoneau
Anderson, G.	Girard	Lasley	Osthoff	Skoglund
Anderson, R.	Greenfield	Lieder	Ostrom	Solberg
Battaglia	Gruenes	Limmer	Otis	Sparby
Bauerly	Gutknecht	Long	Ozment	Stanius
Beard	Hartle	Macklin	Pappas	Steenisma
Begich	Hasskamp	Marsh	Pauly	Sviggum
Bennett	Haukoos	McDonald	Pellow	Swenson
Bertram	Heap	McEachern	Pelowski	Tjornhom
Bishop	Henry	McGuire	Peterson	Tompkins
Blatz	Himle	McLaughlin	Poppenhagen	Trimble
Boo	Hugoson	McPherson	Price	Tunheim
Brown	Jacobs	Milbert	Pugh	Uphus
Burger	Janezich	Miller	Quinn	Valento
Carlson, D.	Jaros	Morrison	Redalen	Vellenga
Carlson, L.	Jefferson	Munger	Reding	Wagenius
Carruthers	Jennings	Murphy	Rest	Waltman
Clark	Johnson, A.	Nelson, C.	Rice	Weaver
Conway	Johnson, R.	Nelson, K.	Richter	Welle
Cooper	Johnson, V.	Neuenschwander	Rodosovich	Wenzel
Dauner	Kahn	O'Connor	Rukavina	Williams
Dawkins	Kalis	Ogren	Runbeck	Winter
Dempsey	Kelly	Olsen, S.	Sarna	Wynia
Dille	Kelso	Olson, E.	Schafer	Spk. Vanasek
Dorn	Kinkel	Olson, K.	Scheid	
Forsythe	Knickerbocker	Omman	Schreiber	
Frederick	Kostohryz	Onnen	Seaberg	

A quorum was present.

Lynch was excused.

Segal was excused until 3:25 p.m.

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

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

REPORTS OF CHIEF CLERK

Pursuant to Rules of the House, printed copies of H. F. Nos. 7, 1448, 127, 215, 341, 785, 892, 907, 1046, 1280, 1461 and 950 and S. F. Nos. 1123, 1252, 1278, 1239, 258, 811, 1105, 1227, 6, 1358, 1375, 662, 703, 29, 653 and 1502 have been placed in the members' files.

S. F. No. 811 and H. F. No. 1004, which had been referred to the Chief Clerk for comparison, were examined and found to be identical.

Swenson moved that S. F. No. 811 be substituted for H. F. No. 1004 and that the House File be indefinitely postponed. The motion prevailed.

S. F. No. 1123 and H. F. No. 156, which had been referred to the Chief Clerk for comparison, were examined and found to be identical with certain exceptions.

SUSPENSION OF RULES

Scheid moved that the rules be so far suspended that S. F. No. 1123 be substituted for H. F. No. 156 and that the House File be indefinitely postponed. The motion prevailed.

S. F. No. 1502 and H. F. No. 1395, which had been referred to the Chief Clerk for comparison, were examined and found to be identical.

Omann moved that S. F. No. 1502 be substituted for H. F. No. 1395 and that the House File be indefinitely postponed. The motion prevailed.

S. F. No. 1358 and H. F. No. 1336, which had been referred to the Chief Clerk for comparison, were examined and found to be identical with certain exceptions.

SUSPENSION OF RULES

Wynia moved that the rules be so far suspended that S. F. No. 1358

be substituted for H. F. No. 1336 and that the House File be indefinitely postponed. The motion prevailed.

REPORTS OF STANDING COMMITTEES

Long from the Committee on Taxes to which was referred:

H. F. No. 150, A bill for an act relating to health care; providing a program of affordable health care coverage for Minnesota residents; creating a health care access commission to implement and administer the program; establishing eligibility requirements and funding sources; modifying income eligibility requirements for medical assistance; imposing penalties; appropriating money; amending Minnesota Statutes 1988, section 256B.056, subdivision 4; proposing coding for new law in Minnesota Statutes, chapter 290; proposing coding for new law as Minnesota Statutes, chapter 62J.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"ARTICLE 1

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

The legislature finds that substantial numbers of Minnesotans have no health care coverage and that most of these residents are wage earners or their dependents. One-third of these individuals are children.

The legislature further finds that when these individuals enter the health care system they have often foregone preventive care and are in need of more expensive treatment that often exceeds their financial resources. Much of the cost for these uncompensated services to the uninsured are already in the health care system in the form of increased insurance and provider rates and property and income taxes.

The legislature further finds that these costs, spread among the already insured, represent a woefully inefficient method for providing basic preventive and acute care for the uninsured and represent an added cost to employers now providing health insurance to their employees.

The legislature further finds that it is essential for the state to initiate and participate in a program of last resort to ensure basic and affordable health care to all Minnesotans while addressing the

economic pressures on the health care system as a whole in Minnesota.

Sec. 2. [62J.02] [HEALTH CARE ACCESS COMMISSION.]

Subdivision 1. [MEMBERSHIP; COMPENSATION; CHAIR.] The Minnesota health care access commission consists of 11 members. Three members are appointed by the governor, one of whom must be an experienced health care professional, one of whom must be a representative of small business, and one of whom must be a representative of consumers. Two members are appointed under the rules of the senate and two members are appointed under the rules of the house of representatives. The commissioners of health, human services, employee relations, and commerce, or their designated representatives are also members. The governor shall appoint the chair of the commission after considering the commission's recommendation.

The terms, compensation, and removal of the members appointed by the governor are as provided in section 15.0575.

Subd. 2. [STAFF.] The commission shall select a director to serve at its pleasure as the chief administrative officer of the commission. The director may hire advisors, consultants, and employees, as authorized by the commission, and prescribe their duties. Employees are not state employees, but are covered by section 3.736. At the option of the commission, the employees may participate in the following plans for employees in the unclassified service: the state retirement plan, the state deferred compensation plan, and the health insurance and life insurance plans.

Subd. 3. [INITIAL DUTIES.] The health care access commission shall:

(1) develop a system to estimate the total number of uninsured Minnesotans by age, sex, employment status, income level, geography, and other relevant characteristics;

(2) explore all potential insurance options including size and makeup of risk groups;

(3) prepare a legal analysis of restrictions and other potential legal issues of the Employee Retirement Income Security Act, United States Code, title 29, sections 1001 to 1461;

(4) study and make recommendations on insurance and health care law changes including a review of all state imposed mandates on health care coverage that will improve access to health care;

(5) study and make recommendations on incentives and disincen-

tives to ensure that employers continue to provide health insurance coverage;

(6) identify cost savings to public programs that will result from implementation of the health care access program;

(7) develop a cost containment policy after reviewing cost containment methods such as hospital admission precertification, concurrent review of hospital stays, discharge planning, hospital bill audit prior to discharge, primary gatekeepers, claims data analysis, a drug formulary, pharmacy data analysis, bulk discounts, emergency room use, outpatient surgery oversight, protocols for preventive care and common acute care, practice data compared to peers, practitioner rewards and penalties, and other cost containment methods;

(8) develop a financial plan for implementing the health care access program, including an actuarial analysis; a sliding fee scale analysis; reserve fund requirements; revenue projections from a payroll tax or other funding sources in an amount sufficient to generate one-half of the total costs of the health care access program, but not more than \$150,000,000 per year; and recommendations;

(9) develop a system to administer the health care access program;

(10) define the number, functions, and duties of administrative staff;

(11) study alternatives for financing the state share of the cost of the premiums, including, but not limited to, a payroll tax that is imposed primarily on employers who do not provide health coverage to their employees; and

(12) develop a system for collection of premium payments.

This subdivision is repealed February 1, 1990.

Subd. 4. [REPORT.] The commission shall report to the legislature by February 1, 1990, with the results of its study and its specific recommendations pursuant to subdivision 3.

This subdivision is repealed February 1, 1990.

Subd. 5. [GENERAL DUTIES.] The commission shall:

(1) implement and administer the health care access program created in sections 1 to 11, including its coordination with other government-subsidized programs;

(2) administer the health care access account created in section 11;

(3) subject to chapter 14, adopt, amend, and repeal rules, including emergency rules, necessary to implement and administer sections 1 to 11;

(4) conduct necessary investigations and inquiries and compel the submission of information, documents, and records it considers necessary to carry out its duties;

(5) report annually to the legislature and the governor on its activities and on recommended insurance and health care law changes to improve access to health care for residents of this state;

(6) employ and supervise staff;

(7) make every effort to ensure representation in service delivery by eligible practitioners, without regard to race, color, or sex; and

(8) conduct other activities it considers necessary to carry out the intent of the legislature as expressed in sections 1 to 11.

The commission shall be treated as an executive branch agency for purposes of sections 16A.095, 16A.10, 16A.11, 16A.123, 16A.14, and 16A.15.

Sec. 3. [62J.03] [CONTRACTING AUTHORITY.]

Subdivision 1. [GENERAL.] The commission may request bids from, and negotiate and contract with, carriers the commission determines are best qualified to underwrite and service health care plans that meet the requirements of section 4. The commission may also contract directly with health care providers. The commission may establish any conversion and continuation privileges for those plans it considers appropriate. The commission may negotiate premium rates and coverage provisions with all carriers regulated under chapters 62A, 62C, and 62D. The commission may negotiate separate contracts to cover eligible persons who are in need of, and receive, immediate medical treatment but who have not as yet selected a health care plan. The commission shall also negotiate reasonable cost containment measures to be applied to all carriers under chapters 62A, 62C, and 62D. Contracts to manage enrollment and plan selection must be bid or negotiated separately from contracts to service the plans, which shall be awarded only on the basis of competitive bids. The commission shall consider the cost of the plans, conversion options relating to the contracts, service capabilities, financial position, and reputation of the carriers and other factors the commission considers appropriate including, but not limited to, plan utilization review provisions, case management

provisions, and preauthorization requirements. Each contract must be for a uniform term of at least one year but may be made automatically renewable from term to term in the absence of notice of termination by either party. The commission shall, to the extent feasible, offer a choice of plans available from two or more carriers regulated under chapters 62A, 62C, and 62D. The commission may offer only one plan in an area of the state if only one acceptable bid exists or if offering more than one would result in substantial, additional administrative costs. Payments from the commission to a carrier are exempt from the tax imposed by section 60A.15 and are not included in the carrier's premiums for the purposes of assessments under 62E.11.

Subd. 2. [COMMUNITY CLINICS.] The commission, or an entity selected by the commission to administer health care plans on its behalf, shall to the extent appropriate contract with community clinics.

For purposes of this subdivision, "community clinics" means an entity that:

(1) through its staff and supporting resources or through its contracts or cooperative arrangements with other public or private entities, provides primary health services for all intended residents of its service area;

(2) was established to serve the primary health needs of low-income population groups;

(3) uses a sliding fee scale based on ability to pay, and does not limit access or care because of the financial limitations of the client;

(4) has nonprofit status under chapter 317; and

(5) has a governing board, for which at least 51 percent of the membership resides in and represents the local community served by the clinic.

Subd. 3. [CONTRACT TO CONTAIN STATEMENT OF BENEFITS.] A contract under this section must contain a detailed statement of benefits offered and must include any maximums, limitations, exclusions, and other provisions the commission considers necessary or desirable.

A contract providing only the coverage specified in section 4, subdivision 2, shall not contain a provision denying coverage for any preexisting conditions.

Subd. 4. [ACTUARIAL DATA.] The commission shall estimate, on an actuarially sound basis, the expected cost of providing coverage

under the health care access program, recognizing variations in the cost of providing coverage through various systems and in different areas in the state. The commission shall make this actuarial data available to potential carriers under the health care access program.

Sec. 4. [62J.04] [BENEFITS.]

Subdivision 1. [AVAILABILITY.] The commission shall make available to all residents of this state health care plans meeting the requirements of subdivisions 2 and 3.

Subd. 2. [MINIMUM CORE COVERAGE.] The commission shall make available a health care plan that provides the following benefits:

(a) Covered expenses include only the following services and articles:

(1) inpatient and outpatient hospital services, but coverage for inpatient hospital services shall not exceed 30 days in any calendar year;

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

(3) prenatal and well child care and other preventive health services, including screenings, immunizations, and yearly disease detection;

(4) diagnostic x-rays and laboratory tests;

(5) prostheses, not including eye glasses and hearing aids;

(6) maternity benefits, subject to section 62A.041;

(7) transportation provided by a licensed ambulance service to the nearest facility qualified to treat the condition; and

(8) drugs requiring a physician's prescription, but not to exceed \$500 in any year. This dollar limitation does not apply to maintenance drugs prescribed by a physician for chronic conditions.

(b) Covered expenses for the services and articles specified in this subdivision do not include the following:

(1) any charge for care for injury or disease either (i) arising out of an injury in the course of employment and subject to a workers' compensation or similar law, (ii) for which benefits are payable

without regard to fault under coverage statutorily required to be contained in any motor vehicle, or other liability insurance policy or equivalent self-insurance, or (iii) for which benefits are payable under another policy of accident and health insurance, Medicare or any other governmental program except as otherwise provided by section 62A.04, subdivision 3, clause (4);

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

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

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

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

(6) any charge for services or articles that are not within the scope of authorized practice of the institution or individual providing the services or articles; and

(7) any charge for inpatient or outpatient mental health or chemical dependency treatment.

(c) The commission shall establish copayment requirements and a dollar limitation per person on the total annual out-of-pocket expenses for covered services. Copayments shall be imposed for prescription drug benefits at a level of \$5 per prescription. Copayments shall be imposed for routine office visits at a level of \$5 per visit. Copayments shall be imposed for ambulance transportation covered under this subdivision at a level of \$25 per use of those services, if there is no admittance to a hospital within 24 hours after the services. Copayments shall be imposed for emergency room services at a level of \$25 per visit if there is no admittance to a hospital within 24 hours after the visit. No copayments shall be imposed on preventive health services covered under paragraph (a), clause (3).

(d) Coverage under a minimum core coverage plan is subject to a maximum lifetime benefit of \$50,000 per individual.

(e) Coverage under this subdivision does not include any coverages otherwise required under chapters 62A, 62C, 62D, or 62E unless they are specifically referred to in this subdivision.

Subd. 3. [OPTIONAL COVERAGES.] The commission shall make available a number one qualified plan, a number two qualified plan, a number three qualified plan, and a qualified medicare supplement plan under chapter 62E and other optional coverages provided by carriers selected by the commission. Eligible persons may elect to purchase optional coverages.

Sec. 5. [62J.05] [MANDATORY HEALTH INSURANCE; PARTICIPATION IN HEALTH CARE ACCESS PROGRAM.]

(a) By January 1, 1992, every resident of the state is required to have coverage under a health care plan that provides benefits at least equivalent to the minimum core coverage in section 4, subdivision 2.

For purposes of this paragraph, health coverage under Medicare; medical assistance; general assistance medical care; a plan of coverage as defined by section 62E.02, subdivision 9, that meets the requirements of a qualified plan under chapter 62E; or the state comprehensive health insurance plan, is considered at least equivalent to the minimum core coverage in section 4, subdivision 2.

(b) A person must participate in the health care access program if the person meets the eligibility requirements in section 6, subdivision 1.

For purposes of sections 1 to 11, "resident" means an individual who is currently and has been a resident of Minnesota for the six months immediately preceding the date of receipt by the commission or its carrier of a completed application for coverage and who meets the eligibility requirements of section 6.

Sec. 6. [62J.06] [ELIGIBILITY TO PARTICIPATE IN HEALTH CARE ACCESS PROGRAM.]

Subdivision 1. [RESIDENTS WITH NO COVERAGE OR INADEQUATE COVERAGE.] (a) A Minnesota resident is eligible to participate in the health care access program if the resident:

(1) does not have coverage available under:

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

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

(2) has coverage under a health care plan that does not meet the level of minimum core benefits in section 4, subdivision 2; or

(3) does not have coverage available under an employment-based group insurance program, and for whom all income received is self-employment income; or

(4) has coverage from the comprehensive health insurance plan under chapter 62E.

Subd. 2. [EMPLOYER PARTICIPATION.] (a) The following employers are eligible to participate in the health care access program:

(1) an employer who does not provide or make available a health care plan to employees; or

(2) an employer who provides or makes available to employees a health care plan, including plans under section 62E.03. However, if the employer chooses to participate in the health care access program, the employer must obtain and provide employees with at least the level of coverage required under section 62E.03.

(b) An employee enrolled in the health care access program pursuant to this subdivision is not eligible for any premium subsidy under section 8.

Sec. 7. [62J.07] [UNINSURED PERSONS REQUIRED TO PARTICIPATE; RECOVERY OF PAYMENTS BY COMMISSION.]

A person who has no coverage under a health care plan who seeks medical care from a health care provider is enrolled in the health care access program from the time the person first seeks treatment. The commission may recover from the person the costs of the treatment if the person is financially able to pay for the costs. The commission may also recover the annual premium amount the person would owe for coverage under the health care access program.

Sec. 8. [62J.08] [PREMIUMS.]

Subdivision 1. [GENERALLY.] An enrollee in the health care access program shall pay the first installment of the premium for coverage upon the effective date of the coverage. The premium payment must be deposited in the account in section 11. The enrollee's share of the premium for minimum core coverage under section 4, subdivision 2, is determined by the income-based sliding

fee schedule in subdivision 2. The remainder of the premium for this coverage is paid by the health care access account established in section 11. An enrollee who chooses optional coverage under section 4, subdivision 3, must pay the entire premium for the optional coverage and minimum core coverage.

Subd. 2. [SLIDING FEE SCHEDULE FOR PREMIUMS.] A participant's share of premium for minimum core coverage is based on the federal poverty income guidelines and the participant's income, as defined in the federal poverty income guidelines.

Participant's Income as
a Percent of Poverty
Income Guidelines

Under 125 percent
126 to 200 percent
201 to 250 percent
251 to 300 percent
301 percent +

Participant's Share
of Premium

0 percent
15 percent
50 percent
75 percent
100 percent

Sec. 9. [62J.09] [ENROLLMENT AND PREMIUM PAYMENTS.]

The time, manner, conditions, limitations, and terms of eligibility and payment of premiums for enrollment of eligible persons for coverage under section 6 shall be determined by the commission in rule.

The rules shall: (1) include a procedure for referring persons eligible for coverage under the comprehensive health insurance plan to that plan if the commission considers it appropriate; and

(2) provide for the withholding by employers of premiums payable under section 8 from the wages of employees.

Sec. 10. [62J.10] [PROGRAM INFORMATION AND ENROLLMENT.]

Subdivision 1. [SOLICITATION OF ELIGIBLE PERSONS.] The commission shall disseminate appropriate information to the residents of this state about the existence of the program and the means of enrollment. Means of communication must include use of the press, radio, and television, as well as publication in appropriate state offices and publications.

The commission shall devise and implement methods to maintain public awareness of the provisions of sections 1 to 11 and shall administer sections 1 to 11 in a manner that facilitates public participation.

Subd. 2. [HEALTH INSURANCE INFORMATION; PENALTY.] A resident of the state shall furnish to the health care access commission the information required by the commission to determine the health care coverage of the person and the person's dependents. The commission may require proof of coverage. An employer shall distribute evidence of insurance forms to all employees. The commission shall establish civil penalties for the failure to supply information or the supplying of false information. Information furnished to the commission is classified as nonpublic data under chapter 13.

Subd. 3. [HEALTH CARE APPLICATIONS.] The health care access commission shall prepare and distribute information and evidence of insurance and application forms for health insurance under sections 1 to 11. The applications and other information must be made available to employers, health care provider offices and facilities, local human services agencies, public and community health offices and clinics, school clinics, county extension offices, and women, infants, and children (WIC) program sites. Employers must furnish applications and information to employees.

Sec. 11. [62J.11] [HEALTH CARE ACCESS ACCOUNT.]

Subdivision 1. [CREATION.] An account is established in the state treasury to be known as the health care access account. There is annually appropriated from the account to the commission the amount needed to pay for implementing and administering the health care access program established under sections 1 to 11, including payment of approved claims, refunds, administrative costs, and other related service charges.

In no event may this appropriation exceed \$150,000,000 in any fiscal year.

Subd. 2. [FUNDING.] The account is funded with revenue from the sources specified in subdivision 5 and section 8.

Subd. 3. [INVESTMENT OF ACCOUNT ASSETS.] Except as otherwise provided in subdivision 6, when there are funds in the account in excess of the amount the commission determines is currently needed, the commission shall direct the state treasurer to certify this amount to the state board of investment for investment subject to section 11A.24. Investment income and losses attributable to the account must be credited to the account.

Subd. 4. [ALLOCATION.] The commission shall allocate the appropriation to ensure that eligible persons of every income level for which there is a premium subsidy are enrolled and the appropriation is not used to disproportionately subsidize any particular income group.

Subd. 5. [ASSESSMENT ON EMPLOYERS THAT DISCONTINUE COVERAGE.] An employer that discontinues all plans of health coverage provided or made available to employees employed in this state and does not provide actuarially equivalent coverage to replace it shall pay a special assessment to the account.

The special assessment consists of an amount equal to two times the total annual premium or financing obligation of that employer for the previous calendar year.

One-half of the assessment must be paid to the account by January 1 of the year following the discontinuance, and one-half of the assessment must be paid to the account by January 1 of the next year.

The commission has all the powers under chapter 290 to impose and collect the assessment under this subdivision.

The commissioner of revenue shall provide the commission with information necessary to allow the commission to administer and enforce this subdivision.

Subd. 6. [SURPLUS.] Surplus remaining in the fund at the end of a fiscal year may be used by the commission, in its discretion, to increase the premium subsidies.

Sec. 12. [APPROPRIATION.]

\$3,000,000 is appropriated from the general fund to the health care access commission to pay for the administrative and operating expenses of the commission.

The appropriation is available until June 30, 1991, at which time the commission shall repay this amount to the general fund from the account created in section 11.

Sec. 13. [EFFECTIVE DATES.]

Sections 2, subdivisions 1 to 4, and 12 are effective July 1, 1989.

Section 2, subdivision 5, is effective July 1, 1990.

Sections 3 and 11 are effective May 15, 1991.

Sections 1 and 4 to 10 are effective January 1, 1992.

ARTICLE 2

Section 1. Minnesota Statutes 1988, section 256B.056, subdivision 4, is amended to read:

Subd. 4. [INCOME.] To be eligible for medical assistance, a person must not have, or anticipate receiving, semiannual income in excess of ~~115~~ 133 $\frac{1}{3}$ percent of the income standards by family size used in the aid to families with dependent children program; ~~except that families and children may have an income up to 133 $\frac{1}{3}$ percent of the AFDC income standard.~~ Notwithstanding any laws or rules to the contrary, in computing income to determine eligibility of persons who are not residents of long-term care facilities, the commissioner shall disregard increases in income as required by Public Law Numbers 94-566, section 503; 99-272; and 99-509.

Sec. 2. [EFFECTIVE DATE.]

Section 1 is effective January 1, 1992.

ARTICLE 3

Section 1. [SEVERABILITY.]

If any provision of articles 1 or 2 of this act are found to be unconstitutional and void, the remainder of those articles shall remain valid.

Sec. 2. [EFFECTIVE DATE.]

Section 1 is effective the day following final enactment."

Delete the title and insert:

"A bill for an act relating to health care; providing a program of affordable health care coverage for Minnesota residents; creating a health care access commission to implement and administer the program; establishing eligibility requirements and funding sources; modifying income eligibility requirements for medical assistance; requiring a report; appropriating money; amending Minnesota Statutes 1988, section 256B.056, subdivision 4; proposing coding for new law as Minnesota Statutes, chapter 62J."

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

The report was adopted.

Anderson, G., from the Committee on Appropriations to which was referred:

H. F. No. 257, A bill for an act relating to state government; regulating markings on state vehicles; eliminating the requirement that certain reports of occupational licensing boards be summarized; eliminating certain prohibitions against state purchase of insurance; regulating state sale of goods and services; regulating certain small business assistance programs; clarifying responsibility for the operation and maintenance of certain buildings; establishing a state telecommunications access routing system; regulating government record keeping; prescribing compensation for certain board members; amending Minnesota Statutes 1988, sections 15.0575, subdivision 3; 15.16; 15.17, subdivision 1; 15.39, subdivision 1; 16A.85, subdivision 2; 16B.06, subdivision 4; 16B.19, subdivision 6; 16B.20, subdivision 2; 16B.22, subdivision 1; 16B.24, subdivision 1; 16B.48; 16B.54, subdivision 2; 138.17, subdivision 1; 214.07, subdivision 2; 214.09, subdivision 3; and 600.135, subdivision 1; proposing coding for new law in Minnesota Statutes, chapter 16B; repealing Minnesota Statutes 1988, section 15.38.

Reported the same back with the following amendments:

Page 5, after line 17, insert:

"Sec. 6. Minnesota Statutes 1988, section 15A.081, subdivision 1, is amended to read:

Subdivision 1. [SALARY RANGES.] The governor shall set the salary rate within the ranges listed below for positions specified in this subdivision, upon approval of the legislative commission on employee relations and the legislature as provided by section 43A.18, subdivisions 2 and 5:

Salary Range

Effective

July 1, 1987-1989

\$57,500-\$78,500

Commissioner of finance;
Commissioner of education;
Commissioner of transportation;
Commissioner of human services;
Commissioner of revenue;
Executive director, state board of investment;

\$50,000-\$67,500

Commissioner of administration;

Commissioner of agriculture;
 Commissioner of commerce;
 Commissioner of corrections;
 Commissioner of jobs and training;
 Commissioner of employee relations;
 Commissioner of health;
 Commissioner of labor and industry;
 Commissioner of natural resources;
 Commissioner of public safety;
 Commissioner of trade and economic development;
 Chair, waste management board;
 Chief administrative law judge; office of administrative
 hearings;
 Commissioner, pollution control agency;
 Commissioner, state planning agency;
 Executive director, housing finance agency;
 Executive director, public employees retirement association;
 Executive director, teacher's retirement association;
 Executive director, state retirement system;
 Chair, metropolitan council;
 Chair, regional transit board;
Chair, metropolitan waste control commission;

\$42,500-\$60,000

Commissioner of human rights;
 Commissioner, department of public service;
 Commissioner of veterans' affairs;
 Commissioner, bureau of mediation services;
 Commissioner, public utilities commission;
 Member, transportation regulation board;
 Ombudsman for corrections;
 Ombudsman for mental health and retardation.

Sec. 7. Minnesota Statutes 1988, section 15A.081, subdivision 7, is amended to read:

Subd. 7. [PART-TIME METROPOLITAN OFFICERS.] The governor shall set the salary rate within the range set forth below for the following part-time positions, upon approval of the legislative commission on employee relations and the legislature as provided by section 43A.18, subdivisions 2 and 5:

	Effective July 1, 1987
Chair, metropolitan airports commission	\$15,000-\$25,000
Chair, metropolitan waste control commission	\$25,000-\$35,000

Fringe benefits for unclassified employees of the metropolitan waste control commission shall not exceed those fringe benefits received by unclassified employees of the metropolitan council."

Page 9, after line 12, insert:

"Sec. 13. Minnesota Statutes 1988, section 16B.24, subdivision 5, is amended to read:

Subd. 5. [RENTING OUT STATE PROPERTY.] (a) [AUTHORITY.] The commissioner may rent out state property, real or personal, that is not needed for public use, if the rental is not otherwise provided for or prohibited by law. The property may not be rented out for more than five years at a time without the approval of the state executive council and may never be rented out for more than 25 years.

(b) [RESTRICTIONS.] Paragraph (a) does not apply to state trust fund lands, other state lands under the jurisdiction of the department of natural resources, lands forfeited for delinquent taxes, lands acquired under section 298.22, or lands acquired under section 41.56 ~~which that~~ are under the jurisdiction of the department of agriculture.

(c) [RENTAL OF STATE LAND; BUILDINGS FOR PUBLIC USE.] The commissioner may rent state land for no more than 30 years if the lease provides that the lessee shall design, develop, and construct on the land premises for public use and that the state has the option to lease the premises under subdivision 6, paragraph (a); has a lease-purchase agreement covering the premises under subdivision 6, paragraph (b); or has an agreement covering the premises providing for a lease with option to buy under subdivision 6, paragraph (c).

(d) [FORT SNELLING CHAPEL; RENTAL.] The Fort Snelling Chapel, located within the boundaries of Fort Snelling State Park, is available for use only on payment of a rental fee. The commissioner shall establish rental fees for both public and private use. The rental fee for private use by an organization or individual must reflect the reasonable value of equivalent rental space. Rental fees collected under this section must be deposited in the general fund.

~~(d)~~ (e) [RENTAL OF LIVING ACCOMMODATIONS.] The commissioner shall establish rental rates for all living accommodations provided by the state for its employees. Money collected as rent by state agencies pursuant to this paragraph must be deposited in the state treasury and credited to the general fund.

(e) (f) [LEASE OF SPACE IN CERTAIN STATE BUILDINGS TO STATE AGENCIES.] The commissioner may lease portions of the state owned buildings in the capitol complex, the capitol square building, the health building, and the building at 1246 University Avenue, St. Paul, Minnesota, to state agencies and charge rent on the basis of space occupied. Notwithstanding any law to the contrary, all money collected as rent pursuant to the terms of this section shall

must be deposited in the state treasury. Money collected as rent to recover the depreciation cost of a building built with state dedicated funds shall must be credited to the dedicated fund which that funded the original acquisition or construction. All other money received shall must be credited to the general services revolving fund.

Sec. 14. Minnesota Statutes 1988, section 16B.24, subdivision 6, is amended to read:

Subd. 6. [PROPERTY RENTAL.] (a) [LEASES.] The commissioner shall rent land and other premises when necessary for state purposes. The commissioner may lease land or premises for five years or less, subject to cancellation upon 30 days written notice by the state for any reason except rental of other land or premises for the same use. The commissioner may not rent non-state-owned land and buildings or substantial portions of land or buildings within the capitol area as defined in section 15.50 unless the commissioner first consults with the capitol area architectural and planning board. Lands needed by the department of transportation for storage of vehicles or road materials may be rented for five years or less, such leases for terms over two years being subject to cancellation upon 30 days written notice by the state for any reason except rental of other land or premises for the same use.

(b) [LEASE-PURCHASE.] The commissioner may lease land or buildings for no more than 30 years if the lease agreement provides for the transfer of the ownership of the leased land and buildings upon normal termination of the lease for an amount not to exceed \$1. The commissioner may not enter into a lease-purchase agreement for the use of land or buildings within the capitol area as defined in section 15.50 unless the commissioner first consults with the capitol area architectural and planning board.

(c) [LEASE WITH OPTION TO BUY.] The commissioner may lease land or premises for no more than 30 years if the lease agreement provides the state a unilateral right to purchase all leased land and premises. The unilateral right must:

(1) be available at least annually; and

(2) provide for a decreasing purchase price reflecting a mortgage balance that would reach zero in no more than 30 years from the beginning of the initial lease period.

The commissioner may not enter an agreement providing for a lease with option to buy covering land or premises within the capitol area as defined in section 15.50 unless the commissioner first consults with the capitol area architectural and planning board.

(d) [USE VACANT PUBLIC SPACE.] No agency may initiate or renew a lease for space for its own use in a private building unless the commissioner has thoroughly investigated presently vacant space in public buildings, such as closed school buildings, and found that none is available.

(e) (e) [PREFERENCE FOR CERTAIN BUILDINGS.] For needs beyond those which that can be accommodated in state-owned buildings, the commissioner shall acquire and utilize space in suitable buildings of historical, architectural, or cultural significance for the purposes of this subdivision unless use of that space is not feasible, prudent, and cost effective compared with other available alternatives options. Buildings are of historical, architectural, or cultural significance if they are listed on the national register of historic places, designated by a state or county historical society, or designated by a municipal preservation commission.

(f) (f) [RECYCLING SPACE.] Leases for space of 30 days or more for 5,000 square feet or more must require that space be provided for recyclable materials.

Sec. 15. Minnesota Statutes 1988, section 16B.405, subdivision 1, is amended to read:

Subdivision 1. [AUTHORIZATION.] To offset the department of administration's software development costs through the sale of products developed, the commissioner may sell or license computer software products or services developed by the commissioner state agencies or custom developed by a vendor, through whatever sales method the commissioner considers appropriate. Prices for the software products or services may be based on market considerations."

Page 17, after line 22, insert:

"Sec. 22. Minnesota Statutes 1988, section 473.141, subdivision 3, is amended to read:

Subd. 3. [CHAIR.] The chair of each agency shall be appointed by the governor with the advice and consent of the senate, shall be the ninth voting member and shall meet all qualifications established for members, except the chair need only reside within the metropolitan area. The council, by resolution after a public meeting on the subject, shall provide the governor with a list of nominees for the position. Senate confirmation is as provided by section 15.066. The chair shall preside at all meetings of the agency, if present, and shall perform all other duties and functions assigned by the agency or by law. The chair is responsible for providing leadership in development policy, coordinating the activities of the agency board, establishing and appointing committees of the board, chairing the internal audit committee, ensuring effective communication be-

tween the agency and other governmental entities and the general public, ensuring that the board is fully informed of the activities of the chief administrator and the agency, ensuring that the chief administrator implements the policies of the board and is held accountable to the board, and evaluating the chief administrator's performance. Each agency may appoint from among its members a vice-chair to act for the chair during temporary absence or disability."

Page 18, after line 10, insert:

"Sec. 24. [APPLICATION.]

Sections 6, 7, and 22 apply in the counties of Anoka, Carver, Dakota, Hennepin, Ramsey, Scott, and Washington and are effective July 1, 1989."

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 15, after "subdivision 1;" insert "15A.081, subdivisions 1 and 7;"

Page 1, line 18, delete "subdivision 1" and insert "subdivisions 1, 5, and 6; 16B.405, subdivision 1"

Page 1, line 20, after "subdivision 3;" insert "473.141, subdivision 3;"

With the recommendation that when so amended the bill pass.

The report was adopted.

Anderson, G., from the Committee on Appropriations to which was referred:

H. F. No. 357, A bill for an act relating to commerce; regulating currency exchanges; requiring currency exchanges to be licensed by the commissioner of commerce; requiring charges to be reasonable; proposing coding for new law as Minnesota Statutes, chapter 53A.

Reported the same back with the following amendments:

Page 2, line 18, delete "owing" and insert "owning"

Page 6, after line 4, insert:

“Sec. 15. [APPROPRIATION.]

\$65,000 is appropriated for fiscal year 1990 and \$50,000 is appropriated for fiscal year 1991 from the general fund to the commissioner of commerce for the purposes of sections 1 to 15. The authorized complement of the department of commerce is increased by one position.”

Renumber the section in sequence

Amend the title as follows:

Page 1, line 5, after the semicolon insert “appropriating money;”

With the recommendation that when so amended the bill pass.

The report was adopted.

Anderson, G., from the Committee on Appropriations to which was referred:

H. F. No. 607, A bill for an act relating to economic development; establishing a referral system for small businesses; coordinating and marketing technical assistance in the state; requiring the department of trade and economic development to be the host agency for the small business development center program; requiring a study of technical assistance provision; establishing the capital access program; appropriating money; amending Minnesota Statutes 1988, sections 116J.58, subdivision 1; and 116J.68, subdivision 2, and by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapter 116J.

Reported the same back with the following amendments:

Page 1, delete line 15 to page 7, line 28

Page 7, delete lines 27 and 28

Page 7, line 31, delete “11” and insert “10”

Page 8, line 15, delete “the” and insert “an”

Page 8, line 16, delete “section 11” and insert “the special revenue fund for the purposes of the capital access program”

Page 9, line 8, delete "11" and insert "10"

Page 13, line 17, delete "11" and insert "10"

Page 16, line 8, after "interest," insert "one-half of the"

Page 16, line 31, delete "11" and insert "10"

Page 17, line 16, after "less" insert "one-half of"

Page 17, line 22, after "and" insert "one-half of the"

Page 20, delete lines 11 to 21

Amend the title as follows:

Page 1, line 2, delete "establishing a"

Page 1, delete lines 3 to 7

Page 1, line 8, delete "assistance provision;"

Page 1, line 9, delete everything after the first semicolon

Page 1, delete lines 10 and 11

With the recommendation that when so amended the bill pass.

The report was adopted.

Anderson, G., from the Committee on Appropriations to which was referred:

H. F. No. 624, A bill for an act relating to commerce; regulating real estate appraisers; creating the real estate appraiser advisory board; providing for membership, compensation, powers, and duties; providing licensing and education requirements; regulating the issuance, renewal, suspension, and revocation of licenses; providing fees; prescribing penalties; appropriating money; proposing coding for new law as Minnesota Statutes, chapter 82B.

Reported the same back with the following amendments:

Page 5, line 13, delete everything after "to" and insert "compensation as provided in section 15.0575, subdivision 3."

Page 5, delete lines 14 to 18

Page 17, delete lines 24 and 25 and insert:

“\$121,000 is appropriated for fiscal year 1990 and \$92,000 is appropriated for fiscal year 1991 from the general fund to the commissioner of commerce for the purpose of administering Minnesota Statutes, chapter 82B.”

With the recommendation that when so amended the bill pass.

The report was adopted.

Long from the Committee on Taxes to which was referred:

H. F. No. 988, A bill for an act relating to local government; changing conditions for the establishment and operation of special service districts in St. Cloud; amending Laws 1985, chapter 301, sections 5, subdivision 5; 7, subdivision 1; 9; 12; and 13, subdivision 2, and by adding a subdivision; repealing Laws 1985, chapter 301, section 7, subdivision 4.

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

The report was adopted.

Long from the Committee on Taxes to which was referred:

H. F. No. 1143, A bill for an act relating to taxation; permitting the city of Rochester to continue levying a general sales tax for flood control costs; amending Laws 1983, chapter 342, article 19, sections 4 and 5.

Reported the same back with the following amendments:

Page 1, line 10, delete “(a)” and insert “Subdivision 1. [USE OF PROCEEDS.]”

Page 1, line 22, delete “(b)” and insert “Subd. 2. [PROCEEDS OF CONTINUED LEVY.]” and delete “paragraph (a)” and insert “subdivision 1”

Page 1, line 23, after “elects” insert “under section 5, subdivision 2,”

Page 1, line 24, after the second "and" insert "\$16,000,000"

Page 2, line 4, after "improvements" insert "or to pay the cost of cleanup and repair of flood damages"

Page 2, line 8, delete "(a)" and insert "Subdivision 1. [MAXIMUM REVENUES.]"

Page 2, line 19, delete "paragraph (b)" and insert "subdivision 2"

Page 2, line 20, delete "paragraph (b)" and insert "subdivision 2"

Page 2, line 21, delete "(b)" and insert "Subd. 2. [ELECTION TO CONTINUE TAX.]" and delete "paragraph (a)" and insert "subdivision 1"

With the recommendation that when so amended the bill pass.

The report was adopted.

Long from the Committee on Taxes to which was referred:

H. F. No. 1222, A bill for an act relating to St. Louis county; regulating budget procedures; providing for certain recorder's fees; requiring certain documents filed with the county recorder to include a legal description; allowing the county to assess the cost of maintenance of television relay service; proposing coding for new law in Minnesota Statutes, chapter 383C; repealing Minnesota Statutes 1988, sections 383C.01, 383C.011, 383C.012, 383C.013, 383C.014, 383C.015, 383C.016, 383C.017, 383C.018, and 383C.019.

Reported the same back with the following amendments:

Page 5, line 35, after the period insert "The costs must not be apportioned on the basis of the value of property but on the basis of service provided."

With the recommendation that when so amended the bill pass.

The report was adopted.

Simoneau from the Committee on Governmental Operations to which was referred:

S. F. No. 783, A bill for an act relating to education; proposing a fifth year incentive plan for teachers in the Duluth school district.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"ARTICLE 1

MINNESOTA STATE RETIREMENT SYSTEM

Section 1. Minnesota Statutes 1988, section 43A.44, subdivision 2, is amended to read:

Subd. 2. [BENEFITS.] Employees in shared positions shall be eligible for the following benefits and subject to the following obligations:

(a) (1) Membership in the Minnesota state retirement system, the teachers retirement association or the state patrol retirement fund, whichever is appropriate, ~~except that, notwithstanding any provision of section 352.01, subdivisions 11 and 16; 352B.01, subdivision 3; 354.05, subdivisions 13 and 25; or 354.091, employees shall have allowable service for the purpose of meeting the minimum service requirements for eligibility to a retirement annuity or other retirement benefit credited in full, but shall have benefit accrual service for the purpose of computing a retirement annuity or other retirement benefit credited on a fractional basis either weekly or annually based upon the relationship that the number of hours of service bears to either 40 hours per week or 2,080 hours per year, with any salary paid for the fractional service credited on the basis of the rate of salary applicable for a full-time week or a full-time year.~~

~~(b)~~ (2) Vacation and sick leave accruals shall be prorated in accordance with the pertinent collective bargaining agreement or plan covering the position;

~~(c)~~ (3) Employee dental, medical and hospital benefits coverage shall be available of the same type and coverage afforded to comparable full-time employees. Employees in shared positions who elect such coverage shall pay, by payroll deduction, the difference between the actual cost to the employer and the appropriate shared time percent of the actual cost. The remaining percent shall be paid by the employer. Employee life insurance coverage shall be available to employees in shared positions on the same terms as for comparable full-time employees;

~~(d)~~ (4) Dependent life insurance coverage shall be available to employees in shared positions on the same terms as for comparable full-time employees. Dependent medical, hospital and dental benefits coverage shall be available to employees in shared positions of the same type and coverage afforded to comparable full-time employees, except that the employer shall contribute the appropriate

shared time percent of the dollar amount contributed for comparable full-time employees electing the same program, the remainder to be paid by payroll deduction by the employee electing such coverage;

(e) (5) Employees in shared positions shall be entitled to the prorated holiday provisions of the applicable collective bargaining agreement or plan covering the position;

(f) (6) Employees in shared positions shall accrue seniority time in every relevant category at the same rate accorded to comparable full-time employees. No full-time employee accepting a shared position shall suffer any loss of or gap in seniority time in the relevant categories applicable to the full-time employment; and

(g) (7) Any other benefits of employment for employees in shared positions shall be prorated at a rate of the appropriate shared time percent of those available to comparable full-time employees, whenever the benefits are divisible. Contributions by the employer toward the benefits, if any, shall be equal to the appropriate shared time percent of the full-time benefits. When not divisible, the cost of the full-time benefits normally allocable to the employer shall be allocated, the appropriate shared time percent to the employee in a shared position, by payroll deduction, and the remaining percent to the employer.

Sec. 2. Minnesota Statutes 1988, section 352.01, subdivision 11, is amended to read:

Subd. 11. [ALLOWABLE SERVICE.] "Allowable service" means:

(1) Service by an employee for which on or before July 1, 1957, the employee was entitled to allowable service credit on the records of the system by reason of employee contributions in the form of salary deductions, payments in lieu of salary deductions, or in any other manner authorized by Minnesota Statutes 1953, chapter 352, as amended by Laws 1955, chapter 239.

(2) Service by an employee for which on or before July 1, 1961, the employee chose to obtain credit for service by making payments to the fund under Minnesota Statutes 1961, section 352.24.

(3) Except as provided in clauses (9) and (10), service by an employee after July 1, 1957, for any calendar month in which the employee is paid salary from which deductions are made, deposited, and credited in the fund, including deductions made, deposited, and credited as provided in section 352.041.

(4) Except as provided in clauses (9) and (10), service by an employee after July 1, 1957, for any calendar month for which payments in lieu of salary deductions are made, deposited, and

credited in the fund, as provided in section 352.27 and Minnesota Statutes 1957, section 352.021, subdivision 4.

For purposes of clauses (3) and (4), except as provided in clauses (9) and (10), any salary paid for a fractional part of any calendar month is deemed the compensation for the entire calendar month.

(5) The period of absence from their duties by employees who are temporarily disabled because of injuries incurred in the performance of duties and for which disability the state is liable under the workers' compensation law until the date authorized by the director for the commencement of payments of a total and permanent disability benefit from the retirement fund.

(6) The unused part of an employee's annual leave allowance for which the employee is paid salary.

(7) Any service covered by a refund repaid as provided in section 352.23 or 352D.05, subdivision 4, except service rendered as an employee of the adjutant general for which the person has credit with the federal civil service retirement system.

(8) Any service before July 1, 1978, by an employee of the transit operating division of the metropolitan transit commission or by an employee on an authorized leave of absence from the transit operating division of the metropolitan transit commission who is employed by the labor organization which is the exclusive bargaining agent representing employees of the transit operating division, which was credited by the metropolitan transit commission-transit operating division employees retirement fund or any of its predecessor plans or funds as past, intermediate, future, continuous, or allowable service as defined in the metropolitan transit commission-transit operating division employees retirement fund plan document in effect on December 31, 1977.

(9) Service after July 1, 1983, by an employee who is employed on a part-time basis for less than 50 percent of full time, for which the employee is paid salary from which deductions are made, deposited, and credited in the fund, including deductions made, deposited, and credited as provided in section 352.041 or for which payments in lieu of salary deductions are made, deposited, and credited in the fund as provided in section 352.27 shall be credited on a fractional basis either by pay period, monthly, or annually based on the relationship that the percentage of salary earned bears to a full-time salary, with any salary paid for the fractional service credited on the basis of the rate of salary applicable for a full-time pay period, month, or a full-time year. For periods of part-time service that is duplicated service credit, section 356.30, subdivision 1, clauses (i) and (j), govern.

(10) Any service by an employee in the Minnesota demonstration

job-sharing program under sections 43A.40 to 43A.465 which is less than 40 hours per week or 2,080 hours per year and for which the employee is paid salary from which deductions are made, deposited and credited in the fund, shall be credited on a fractional basis either weekly or annually based on the relationship that the number of hours of service bears to either 40 hours per week or 2,080 hours per year, with any salary paid for the fractional service credited on the basis of the rate of salary applicable for a full-time week or a full-time year.

The allowable service determined and credited on a fractional basis under clauses (9) and (10) shall be used in calculating the amount of benefits payable, but service as determined on a fractional basis must not be used in determining the length of service required for eligibility for benefits.

~~(11)~~ (10) Any period of authorized leave of absence without pay that does not exceed one year and for which the employee obtained credit by payment to the fund in lieu of salary deductions. To obtain credit, the employee shall pay an amount equal to the employee and employer contribution rate in section 352.04, subdivisions 2 and 3, multiplied by the employee's hourly rate of salary on the date of return from leave of absence and by the days and months of the leave of absence without pay for which the employee wants allowable service credit. The employing department, at its option, may pay the employer amount on behalf of its employees. Payments made under this clause shall include interest at the rate of six percent per year from the date of termination of the leave of absence to the date payment is made unless payment is completed within one year of the return from leave of absence.

Sec. 3. Minnesota Statutes 1988, section 352.021, subdivision 5, is amended to read:

Subd. 5. [CONTINUING COVERAGE.] Any state employee who has made contributions to the retirement fund for a period of one year and who, continuing in state service after that year, becomes eligible for membership in the state teachers retirement association as a full-time teacher, as defined in section 354.05, subdivision 2, may continue coverage under the system by filing in its office written notice of election to continue. The election to be covered by the system under this subdivision or section 352.01, subdivision 2b, clause (3), must be made on a form approved by the director within 90 days after appointment to the position. If the option is exercised, the employee is not thereafter entitled to membership in the teachers retirement association while employed by the state in a position that entitled the employee to make this election.

Sec. 4. Minnesota Statutes 1988, section 352.03, subdivision 11, is amended to read:

Subd. 11. [LEGAL ADVISER, ATTORNEY GENERAL.] The attorney general shall be the legal adviser of the board and of the director. The board may sue or be sued or petitioned under this section in the name of the board of directors of the system. In actions brought by it or against it, the board shall be represented by the attorney general and, except as provided in section 5, subdivision 9, venue of actions shall be in the Ramsey county district court.

Sec. 5. [352.031] [APPEALS PROCEDURE.]

Subdivision 1. [DEFINITIONS.] Unless the language or context clearly indicates that a different meaning is intended, for the purpose of this section, the following terms have the meanings given them.

(a) "Board" means the board of directors of the Minnesota state retirement system.

(b) "Documentation" includes, but is not limited to:

(1) sworn and notarized affidavits made on the personal knowledge of any person;

(2) official letters or documents;

(3) documents from the file of the petitioner; and

(4) other relevant documents that are admissible as evidence in a court of law.

(c) "Executive director" means the executive director of the Minnesota state retirement system.

(d) "Person" includes any state agency or other governmental unit that employs persons covered under statutes listed in subdivision 2.

(e) "Record" means the petition and the documentation that the petitioners submit with the petition; the executive director's answer to the petition and documentation submitted with it; and any documentation the board allows to be submitted at or after the meeting at which the petition is considered.

Subd. 2. [NOTICE OF TERMINATION OR DENIAL.] If the executive director terminates a benefit or denies an application or a written request of any person claiming a right under chapter 352, other than sections 352.96 and 352.97; chapters 3A, 352B, 352C, and 352D; sections 490.121 to 490.133; or the applicable sections of chapters 355 and 356, the executive director must serve upon that person written notice containing:

- (1) the reasons for the termination or denial;
- (2) notice that the person may petition the board for a review of the termination or denial and that the petition for review must be filed within 60 days of the receipt of the written notice;
- (3) a statement that failure to petition the board within 60 days will preclude the person from contesting in any other court procedure or administrative hearing, the issues determined by the executive director; and
- (4) a copy of this section.

Subd. 3. [PETITION FOR REVIEW.] A person who claims a right under subdivision 2 and whose benefit has been terminated or whose application or written request has been denied may petition for a review of that decision by the board. A petition under this section must be served upon the executive director personally, or by mail postmarked no later than 60 days after the petitioner received the notice required by subdivision 2. The petition must include the sworn, notarized statement of the reasons the petitioner believes the decision of the executive director should be reversed or modified and may include relevant documentation.

Subd. 4. [ANSWER; RECORD FOR HEARING.] Within a reasonable time after receiving a petition, the executive director must serve the petitioner with an answer to the petition with all relevant documentation and with notice of the time and place of the regular or special board meeting at which the board will consider the petition. The documentation need not duplicate the documentation submitted by the petitioner. Not later than ten days before the board meeting at which the petition will be heard, the executive director must, personally or by mail, deliver a copy of the relevant documentation to each board member. Each board member who participates in the decision on the petition must be familiar with all relevant documentation.

Subd. 5. [HEARING.] The board shall hold a timely hearing on a petition for review. The board shall make its decision on a petition solely on the relevant documentation as submitted and the proceedings of the hearing. At the hearing, the petitioner, the petitioner's attorney, and the executive director may state and discuss with the board their positions with respect to the petition. The board may allow further documentation to be placed in the record at or subsequent to the board meeting at which the petition is considered. If the board allows additional documentation into the record at or subsequent to the board meeting, it may make a final determination on the petition at that board meeting only upon the agreement of both the petitioner and the executive director.

Subd. 6. [TERMINATION OF BENEFITS.] If the executive direc-

tor proposes to terminate a benefit that is being paid to any person, before terminating the benefit, the executive director must, in addition to the other procedures prescribed herein, give the person written or oral notice of the proposed termination. The notice must explain the reason for the proposed termination. The person must be given an opportunity, verbally or in writing, to explain why the benefit should not be terminated: if the executive director is unable to contact the person and the executive director determines that a failure to terminate the benefit might result in unauthorized payment by the association, the executive director may terminate the benefit with only a written notice containing the information required by subdivision 2, mailed to the address to which the benefit was last sent and, if that address is a financial institution, to the last known address of the person.

Subd. 7. [MEDICAL ADVISOR ACTION.] If a person petitions the board to reverse or modify a determination by the executive director finding that the petitioner, for medical reasons, does not or has ceased to qualify for a disability benefit, the board may resubmit the matter to the medical advisor for reconsideration, with or without instructions to obtain further medical examinations. The board may make a determination contrary to the recommendation of the medical advisor only if there is expert medical evidence in the record to support its contrary decision. If there is no medical opinion contrary to the opinion of the medical advisor in the record and the medical advisor asserts that the decision was made in accordance with the disability standard in sections 352.01, subdivision 17; 352B.10; or 490.121, subdivision 13, the board must follow the determination of the medical advisor. The board may make a determination different from the recommendation of the medical advisor on issues that do not involve a medical opinion.

Subd. 8. [BOARD FINDINGS.] After the board has made a decision on a petition, the executive director must prepare findings of fact, the board's reasons for its conclusions, and the board's final order for the signature of the chair or other board member as the board, by resolution, may designate. The executive director shall serve the findings, conclusions, and order on the petitioner by certified mail.

Subd. 9. [APPEALS.] Within 30 days of receipt of the findings, conclusions, and final order, the petitioner may appeal the board's decision by writ or certiorari to the court of appeals. Failure to appeal to that court within the 30 days precludes the petitioner from later raising, in any court procedure or administrative hearing, those substantive and procedural issues that reasonably should have been raised upon appeal.

Subd. 10. [REFERRAL FOR ADMINISTRATIVE HEARING.] Notwithstanding sections 14.03; 14.06; and 14.57 to 14.69, a challenge to a determination of the executive director must be conducted

exclusively under the procedures in this section. The board in its sole discretion may refer a petition brought under this section to the office of administrative hearings for a contested case hearing under sections 14.57 to 14.69.

Subd. 11. [PETITIONS WITHOUT NOTICE.] A person who is not entitled to a review under this section may nevertheless receive review of the decision of the executive director which affects the person's rights by petitioning the board under this section within 60 days of the time the person knew or should have known of the disputed decision.

Sec. 6. Minnesota Statutes 1988, section 352.116, subdivision 3, is amended to read:

Subd. 3. [OPTIONAL ANNUITIES.] The board shall establish an optional retirement annuity in the form of a joint and survivor annuity. The board may also establish an optional annuity in the form of an annuity payable for a period certain and for life thereafter or establish an optional annuity which takes the form of a joint and survivor annuity providing that, if after the joint and survivor annuity becomes payable, the person with the designated remainder interest in the annuity dies before the former member, the annuity amount must be reinstated to a normal single life annuity amount as of the first day of the month after the day the person dies. In addition, the board may also establish an optional annuity that takes the form of an annuity calculated on the basis of the age of the retired employee at retirement and payable for the period before the retired employee becomes eligible for social security old age retirement benefits in a greater amount than the amount of the annuity calculated under subdivision 2 on the basis of the age of the retired employee at retirement but equal so far as possible to the social security old age retirement benefit and the adjusted retirement annuity amount payable immediately after the retired employee becomes eligible for social security old age retirement benefits and payable for the period after the retired employee becomes eligible for social security old age retirement benefits in an amount less than the amount of the annuity calculated under subdivisions 2 and 3. The social security leveling option may be calculated based on broad average social security old age retirement benefits. For each year that the retiring employee is under age 62, up to five percent of the total single life annuity required reserves may be used to accelerate the optional retirement annuity. This greater amount shall be paid until the end of the month in which the retired employee reaches age 62, at which time the annuity shall be reduced. The optional forms must be actuarially equivalent to the normal single life annuity forms provided in sections 352.115 and 352.116, whichever applies.

Sec. 7. Minnesota Statutes 1988, section 352.22, subdivision 1, is amended to read:

Subdivision 1. [SERVICE TERMINATION.] Any employee who ceases to be a state employee by reason of termination of state service or layoff is entitled to a refund provided in subdivision 2 or a deferred retirement annuity as provided in subdivision 3. Application for a refund may be made 30 or more days after the termination of state service or layoff if the applicant has not again become a state employee required to be covered by the system.

Sec. 8. Minnesota Statutes 1988, section 352.22, subdivision 2a, is amended to read:

Subd. 2a. [AMOUNT OF CERTAIN REFUND REPAYMENTS PROHIBITED.] For any employee who is entitled to a refund under subdivision 1 and who, before July 1, 1978, was a member of the metropolitan transit commission transit operating division employees retirement fund, the refund for contributions made before July 1, 1978, must equal the following amounts:

(a) For any employee contributions made before January 1, 1950, the amount equal to one-half of the employee contributions without interest;

(b) For any employee contributions made after December 31, 1949, but before January 1, 1975, the amount of the employee contributions plus simple interest at the rate of two percent per year; and

(c) For any employee contributions made after December 31, 1974, but before July 1, 1978, the amount of the employee contributions plus simple interest at the rate of 3½ percent per year. The refund of contributions made on or after July 1, 1978, must be determined under subdivision 2. Interest must be computed to the first day of the month in which the refund is processed and must be based on fiscal year balances. No refunds of contributions made to the metropolitan transit commission transit operating division employees retirement fund received before July 1, 1978, or for service rendered before July 1, 1978, may be repaid.

Sec. 9. Minnesota Statutes 1988, section 352.93, subdivision 3, is amended to read:

Subd. 3. [PAYMENTS; DURATION AND AMOUNT.] The annuity under this section shall begin to accrue as provided in section 352.115, subdivision 8, and must be paid for an additional 84 full calendar months or to the first of the month following the month in which the employee becomes age 65, whichever occurs first, except that payment must not cease before the first of the month following the month in which the employee becomes 62. It must then be reduced to the amount as calculated under section 352.115, except that if this amount, when added to the social security benefit based on state service the employee is eligible to receive at the time, is less

than the benefit payable under subdivision 2, the retired employee shall receive an amount that when added to the social security benefit will equal the amount payable under subdivision 2.

When an annuity is reduced under this subdivision, the percentage adjustments, if any, that have been applied to the original annuity under section 11A.18, before the reduction, must be compounded and applied to the reduced annuity. A former correctional employee employed by the state in a position covered by the regular plan or the unclassified employees retirement program between the ages of 58 and 65 shall receive a partial return of correctional contributions at retirement with five percent interest based on the following formula:

Employee contributions contributed as a correctional employee in excess of the contributions the employee X would have contributed as a regular employee	Years and complete months of regular service between ages 58 and 65	7
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Sec. 10. Minnesota Statutes 1988, section 352B.08, subdivision 3, is amended to read:

Subd. 3. [OPTIONAL ANNUITY FORMS.] In lieu of the single life annuity provided in subdivision 2, the member or former member with ~~ten~~ five years or more of service may elect an optional annuity form. The board of the Minnesota state retirement system shall establish a joint and survivor annuity, payable to a designated beneficiary for life, adjusted to the actuarial equivalent value of the single life annuity. The board shall also establish an additional optional annuity with an actuarial equivalent value of the single life annuity in the form of a joint and survivor annuity which provides that the elected annuity be reinstated to the single life annuity provided in subdivision 2, if after commencing the elected joint and survivor annuity, the designated beneficiary dies before the member, which reinstatement is not retroactive but takes effect for the first full month occurring after the death of the designated beneficiary. The board may also establish other actuarial equivalent value optional annuity forms. In establishing actuarial equivalent value optional annuity forms, each optional annuity form shall have the same present value as a regular single life annuity using the mortality table adopted by the board and the interest assumption specified in section 356.215, subdivision 4d, and the board shall obtain the written recommendation of the commission-retained actuary. These recommendations shall be a part of the permanent records of the board.

Sec. 11. Minnesota Statutes 1988, section 352B.10, subdivision 5, is amended to read:

Subd. 5. [OPTIONAL ANNUITY.] A disabled member ~~not eligible for may, in lieu of survivorship coverage under section 352B.11, subdivision 2, may~~ choose the normal disability benefit or an optional annuity as provided in section 352B.08, subdivision 2. The choice of an optional annuity must be made before commencement of payment of the disability benefit. It is effective ~~30 days after receipt of this choice or on~~ the date on which the disability benefit begins to accrue, ~~whichever is later. Upon becoming effective, the optional annuity begins to accrue on the date provided for the disability benefit.~~

Sec. 12. Minnesota Statutes 1988, section 352B.11, subdivision 2, is amended to read:

Subd. 2. [DEATH; PAYMENT TO SPOUSE AND CHILDREN.] If a member serving actively as a member, a member receiving the disability benefit provided by section 352B.10, subdivision 1, or a former member receiving a disability benefit as provided by section 352B.10, subdivision 3 2, dies from any cause, the surviving spouse and dependent children are entitled to benefit payments as follows:

(a) A member with at least five years of allowable service or a former member with at least 20 years of allowable service is deemed to have elected a 100 percent joint and survivor annuity payable to a surviving spouse only on or after the date the member or former member became or would have become 55.

(b) The surviving spouse of a member who had credit for less than five years of service shall receive, for life, a monthly annuity equal to 20 percent of that part of the average monthly salary of the member from which deductions were made for retirement. If the surviving spouse remarries, the annuity shall cease as of the date of the remarriage.

(c) The surviving spouse of a member who had credit for at least five years service and who died after attaining 55 years of age, may elect to receive a 100 percent joint and survivor annuity, for life, notwithstanding a subsequent remarriage, in lieu of the annuity prescribed in paragraph (b).

(d) The surviving spouse of any member who had credit for five years or more and who was not 55 years of age at death, shall receive the benefit equal to 20 percent of the average monthly salary as described in clause (b) until the deceased member would have reached the age of 55 years, and beginning the first of the month following that date, may elect to receive the 100 percent joint and survivor annuity. If the surviving spouse remarries before the deceased member's 55th birthdate, benefits or annuities shall cease as of the date of remarriage. Remarriage after the deceased member's 55th birthday shall not affect the payment of the benefit.

(e) Each dependent child shall receive a monthly annuity equal to ten percent of that part of the average monthly salary of the former member from which deductions were made for retirement. A dependent child over 18 and under 22 years of age also may receive the monthly benefit provided in this section, if the child is continuously attending an accredited school as a full-time student during the normal school year as determined by the director. If the child does not continuously attend school but separates from full-time attendance during any part of a school year, the annuity shall cease at the end of the month of separation. In addition, a payment of \$20 per month shall be prorated equally to surviving dependent children when the former member is survived by one or more dependent children. Payments for the benefit of any qualified dependent child must be made to the surviving spouse, or if there is none, to the legal guardian of the child. The maximum monthly benefit must not exceed 40 percent of the average monthly salary for any number of children.

(f) If the member dies under circumstances that entitle the surviving spouse and dependent children to receive benefits under the workers' compensation law, the workers' compensation benefits received by them must not be deducted from the benefits payable under this section.

(g) The surviving spouse of a deceased former member who had credit for five or more years of allowable service, but not the spouse of a former member receiving a disability benefit under section 352B.10, subdivision 3 2, is entitled to receive the 100 percent joint and survivor annuity at the time the deceased member would have reached the age of 55 years, if the surviving spouse has not remarried before that date. If a former member dies who does not qualify for other benefits under this chapter, the surviving spouse or, if none, the children or heirs are entitled to a refund of the accumulated deductions left in the fund plus interest at the rate of five percent per year compounded annually.

Sec. 13. Minnesota Statutes 1988, section 352D.04, subdivision 1, is amended to read:

Subdivision 1. (a) An employee exercising an option to participate in the retirement program provided by this chapter may elect to purchase shares in one or a combination of the income share account, the growth share account, the money market account, the bond market account, the guaranteed return account, or the common stock index account established in section 11A.17. The employee may elect to participate in one or more of the investment accounts in the fund by specifying, on a form provided by the executive director, the percentage of the employee's contributions provided in subdivision 2 to be used to purchase shares in each of the accounts.

(b) Twice in any calendar year, a participant may indicate in writing on forms provided by the Minnesota state retirement system a choice of options for subsequent purchases of shares. Until a different written indication is made by the participant, the executive director shall purchase shares in the supplemental fund as selected by the participant. If no initial option is chosen, 100 percent income shares must be purchased for a participant. A change in choice of investment option is effective no later than the first pay date first occurring after 30 days following the receipt of the request for a change.

(c) One month before the start of a new guaranteed investment contract, a participant or former participant may elect to transfer all or a portion of the participant's shares previously purchased in the income share, growth share, common stock index, bond market, or money market accounts to the new guaranteed investment contract in the guaranteed return account. If a partial transfer is made, a minimum of \$1,000 must be transferred and a minimum balance of \$1,000 must remain in the previously selected investment options. Upon expiration of a guaranteed investment contract, the participant's shares attributable to that contract must be transferred to a new guaranteed investment contract unless the executive director is otherwise directed by the participant. Shares in the guaranteed return account may not be withdrawn from the fund or transferred to another account until the guaranteed investment contract has expired, unless the participant qualifies for withdrawal under section 352D.05 or for benefit payments under sections 352D.06 to 352D.075.

(d) Twice in any calendar year a participant or former participant may also change the investment options selected for all or a portion of the participant's shares previously purchased in accounts other than the guaranteed return account. However, if a partial transfer is made a minimum of \$1,000 must be transferred and a minimum balance of \$1,000 must remain in the previously selected investment option. Changes in investment options for the participant's shares must be effected as soon as cash flow to an account practically permits, but not later than six months after the requested change.

Sec. 14. Minnesota Statutes 1988, section 352D.06, subdivision 1, is amended to read:

Subdivision 1. When a participant attains at least age ~~58~~ 55, is retired from covered service, and applies for a retirement annuity, the cash value of the participant's shares shall be transferred to the Minnesota postretirement investment fund and used to provide an annuity for the retired employee based upon the participant's age when the benefit begins to accrue according to the reserve basis used by the state employees retirement fund in determining pensions and reserves.

Sec. 15. Minnesota Statutes 1988, section 352D.075, subdivision 2, is amended to read:

Subd. 2. If a participant dies leaving a spouse and there is no named beneficiary who survives to receive payment or the spouse is named beneficiary, the spouse may receive:

- (1) The value of the participant's total shares;
- (2) The value of one-half of the total shares and beginning at age 58 55 or thereafter receive an annuity based on the value of one-half of the total shares, provided that if the spouse dies before receiving any annuity payments the value of said shares shall be paid to the spouse's children in equal shares, but if no such children survive then to the parents of the spouse in equal shares, but if no such children or parents survive, then to the estate of the spouse; or
- (3) Beginning at age 58 55 or thereafter receive an annuity based on the value of the total shares, provided that if the spouse dies before receiving any annuity payments the value of said shares shall be paid to the spouse's children in equal shares, but if no such children survive then to the parents of the spouse in equal shares, but if no such children or parents survive, then to the estate of the spouse; and further provided, if said spouse dies after receiving annuity payments but before receiving payments equal to the value of the employee shares, the value of the employee shares remaining shall be paid to the spouse's children in equal shares, but if no such children survive then to the parents of the spouse in equal shares, but if no such children or parents survive, then to the estate of the spouse.

Sec. 16. [DEADLINE EXTENSION IN CERTAIN INSTANCES.]

Notwithstanding any provision of Minnesota Statutes, section 352D.12, to the contrary, a participant on the effective date of this section may transfer prior service contributions or repay any refund under that section by September 30, 1989, or within one year of the person's participation, whichever is later.

Sec. 17. [REPEALER.]

Minnesota Statutes 1988, sections 352.03, subdivision 13; and 352.73, subdivision 3, are repealed.

Sec. 18. [EFFECTIVE DATES.]

Sections 1 to 15 and 17 are effective July 1, 1989. Section 16 is effective the day following final enactment.

ARTICLE 2
TEACHERS' RETIREMENT ASSOCIATIONS

Section 1. Minnesota Statutes 1988, section 136.81, subdivision 1, is amended to read:

Subdivision 1. There shall be deducted from the salary of each person described in section 136.80, subdivision 1, a sum equal to five percent of the portion of the person's annual salary paid between \$6,000 and \$15,000. The deduction is to be made in the same manner as other retirement deductions are made from the salary of the person only after the first \$6,000 has been paid in a fiscal year. The state employer shall make a contribution to the plan on behalf of every covered person in an amount equal to the deductions made from the salary of the person. The moneys so deducted and the state employer contribution shall be deposited to the credit of the state university and community college supplemental retirement plan account of the teachers retirement fund. The account is hereby established and shall be separate and distinct from other funds, accounts, or assets of the teachers retirement fund. The money required to meet the obligation of the state as provided in this subdivision shall be contributed to the executive director of the teachers retirement association by the state. Two percent of the amount of the salary deductions and employer contributions must be credited to the administrative expense reserve account of the supplemental retirement plan and must be used for payment of necessary and reasonable administrative expenses of the supplemental retirement plan as provided in section 354.65.

Any deductions which are taken from the salary of a person for the supplemental retirement plan in error shall upon discovery and verification be refunded to the person. Any related employer contributions must be refunded to the employer. The retirement board executive director shall establish a reserve which shall must reflect any gains or losses realized due to the purchase and redemption of shares representing salary deductions and state employer contributions which were made in error. The balance of the reserve shall remaining after the refund of contributions made in error must be credited annually to the cancellation reserve established pursuant to section 136.82, subdivision 1, clause (5) administrative expense reserve account.

If any payroll salary deductions which are required pursuant to under this section are omitted, the amount of the omitted salary deductions shall may be remitted by the person to the supplemental retirement plan investment account of the teachers retirement association within one year from the end of the fiscal year in which the deductions were due, and at the time of the receipt of 90 days following the association's written notification to the person of the omission, but not thereafter. If the omitted salary deductions are

received from the person, the required state employer contribution shall then must be made paid by the employer within 30 days after the association's written notification to the employer of the amount due.

Sec. 2. Minnesota Statutes 1988, section 136.82, subdivision 1, is amended to read:

Subdivision 1. [GENERALLY.] (a) The executive director of the teachers retirement fund shall redeem shares in the accounts of the Minnesota supplemental retirement investment fund standing in an employee's share account record under the following circumstances, but always in accordance with the laws and rules governing the Minnesota supplemental retirement investment fund:

(b) The executive director shall redeem shares under this subdivision when requested to do so in writing on forms provided by the executive director by a person having shares to the credit of the employee's share account record if the person is age 55 or older and is no longer employed by the state university board or state board for community colleges. In such case the person must receive the cash realized on the redemption of the shares. The person may direct the redemption of not more than 20 percent of the person's shares in the employee's share account record in any one year and may not direct more than one redemption in any one calendar month; provided, however, that the state university board or its designee, in the case of a person employed by the state university board, and the state board for community colleges or its designee, in the case of a person employed by the state board for community colleges, may, upon application, at their sole discretion, permit greater withdrawals in any one year.

(c) The executive director shall redeem shares under this subdivision when requested to do so in writing, on forms provided by the executive director, by a person having shares to the credit of the employee's share account record if the person has left employment by the state university board or state board for community colleges because of a total and permanent disability as defined in section 354.05, subdivision 14. If the executive director finds that the person is totally and permanently disabled and will as a result be unable to return to similar employment, the person must receive the cash realized on the redemption of the shares. The person may direct the redemption of not more than 20 percent of the shares in the employee's share account record in any one year and may not direct more than one redemption in any one calendar month; provided, however, that the state university board or its designee, in the case of a person employed by the state university board, and the state board for community colleges or its designee, in the case of a person employed by the state board for community colleges, may, upon application, at their sole discretion, permit greater withdrawals in any one year. If the person returns to good health, the person owes no

restitution to the state or a fund established by its laws for a redemption under this paragraph.

(d) The executive director shall redeem shares under this subdivision in the event of the death of a person having shares to the credit of the employee's share account record and leaving a surviving spouse, when requested to do so in writing, on forms provided by the executive director, by the surviving spouse. The surviving spouse must receive the cash realized on the redemption of the shares. The surviving spouse may direct the redemption of not more than 20 percent of the shares in the deceased spouse's employee's share account record in any one year and may not direct more than one redemption in any one calendar month; provided, however, that the state university board or its designee, in the case of a person employed by the state university board, and the state board for community colleges or its designee, in the case of a person employed by the state board for community colleges, may, upon application, at their sole discretion, permit greater withdrawals in any one year. In that case the surviving spouse must receive the cash realized from the redemption of the shares. Upon the death of the surviving spouse any shares remaining in the employee's share account record must be redeemed by the executive director and the cash realized from the redemption must be distributed to the estate of the surviving spouse.

(e) In the event of the death of a person having shares to the credit of the employee's share account record and leaving no surviving spouse, the executive director shall redeem all shares to the credit of the employee's share account record and pay the cash realized from the redemption to the estate of the deceased person.

(f) The executive director shall redeem shares under this subdivision when requested to do so in writing, on forms provided by the executive director, by a person having shares to the credit of the employee's share account record if the person is no longer employed by the state university board or state board for community colleges, but does not qualify under the provisions of paragraphs (b) to (e). In that case, the person is entitled upon application to receive one-half of the cash realized on the redemption of shares must be received by the person and one-half becomes the property must be credited to the administrative expense reserve account of the supplemental retirement plan account of the teachers retirement fund for payment of necessary and reasonable administrative expenses of the supplemental retirement plan as provided in section 354.65. Annually on July 1 the cancellations of the previous 12 months must be prorated among the employees share accounts in proportion to the value that each account bears to the total value of all share accounts.

Sec. 3. Minnesota Statutes 1988, section 136.82, subdivision 2, is amended to read:

Subd. 2. [REDEMPTION OF SHARES AS AN ANNUITY.] A person who has shares to the credit of the employee's share account record, who is 55 years of age or older and who is no longer employed by the state university board or the state board for community colleges or who is totally and permanently disabled pursuant to subdivision 1, paragraph (2) (c), or who has the status of a surviving spouse of a person who has shares to the credit of the employee's share account pursuant to subdivision 1, paragraph (3) (d), may redeem all or part of the shares to purchase an annuity by depositing the cash realized upon redemption with the executive director of the teachers retirement fund and receive in exchange an annuity for life or an optional annuity as hereinafter provided. The election to purchase an annuity may be made only once by any individual. If an election is made before the date on which the person is entitled to request redemption, the redemption shall not be made prior to the date upon which the person would be entitled to make the request. The annuity purchase rates shall be based on the annuity table of mortality adopted by the board of trustees of the teachers retirement fund for the fund as provided in section 354.07, subdivision 1, using the interest assumption specified in section 356.215, subdivision 4d. The amount of the annuity for life shall be that amount which has a present value equal to the cash realized on the redemption of the shares as of the first day of the month next following the date of the election to purchase an annuity. The board of trustees of the teachers retirement fund shall establish an optional joint and survivor annuity, an optional annuity payable for a period certain and for life thereafter, and an optional guaranteed refund annuity paying the annuitant a fixed amount for life with the guarantee that in the event of death the balance of the cash realized from the redemption of shares is payable to the designated beneficiary. The optional forms of annuity shall be actuarially equivalent to the single life annuity as defined in section 354.05, subdivision 7. In establishing these optional forms, the board of trustees shall obtain the written recommendation of the actuary retained by the legislative commission on pensions and retirement, and these recommendations shall be a part of the permanent records of the board of trustees.

Sec. 4. Minnesota Statutes 1988, section 354.05, subdivision 35, is amended to read:

Subd. 35. [SALARY.] (a) "Salary" means the compensation paid to a teacher excluding, upon which member contributions are required and made, that is paid to a teacher before any allowable reductions permitted under the federal Internal Revenue Code of 1986, as amended through December 31, 1988, for employee selected fringe benefits, tax sheltered annuities, deferred compensation, or any combination of these items.

(b) "Salary" does not mean:

(1) lump sum annual or leave payments;

(2) lump sum sick leave payments and all;

(3) payments in lieu of any employer paid group insurance coverage, including the difference between single and family premium rates, that may be paid to a member with single coverage. "Salary" does not mean;

(4) any form of payment made in lieu of any other employer paid fringe benefit or expense, or;

(5) any form of severance payments;

(6) workers' compensation payments; or

(7) disability insurance payments including self-insured disability payments.

Subd. 35a. [SEVERANCE PAYMENTS.] Severance payments include, but are not limited to:

(a) (1) payments to an employee to terminate employment;

(b) (2) payments, or that portion of payments, that are not clearly for the performance of services by the employee to the employer; and

(c) (3) payments to an administrator or former administrator serving as an advisor to a successor or as a consultant to the employer under an agreement to terminate employment within two years or less of the execution of the agreement for compensation that is significantly different than the most recent contract salary; and

(4) payments under a procedure that allows the employee to designate the time of payment if the payments are made during the period of formula service credit used to compute a benefit or annuity under section 354.44, subdivision 6 or 7; 354.46, subdivision 1 or 2; or 354.48, subdivision 3.

Sec. 5. Minnesota Statutes 1988, section 354.05, subdivision 37, is amended to read:

Subd. 37. [TERMINATION OF TEACHING SERVICE.] "Termination of teaching service" means the withdrawal of a member from active teaching service by resignation or the termination of the member's teaching contract by the employer. A member is not considered to have terminated teaching service, if before the effective date of the termination or retirement, the member has entered into a contract to resume teaching service with an employing unit covered by the provisions of this chapter.

Sec. 6. Minnesota Statutes 1988, section 354.07, subdivision 3, is amended to read:

Subd. 3. The attorney general shall be legal advisor to the board and the executive director. The board may sue or be sued or petitioned under section 7 in the name of the board of trustees of the teachers retirement fund and. In all actions brought by or against it the board shall be represented by the attorney general. Except as provided in section 7, subdivision 9, venue of all actions is in the Ramsey county district court.

Sec. 7. [354.071] [APPEALS PROCEDURE.]

Subdivision 1. [DEFINITIONS.] Unless the language or context clearly indicates that a different meaning is intended, for the purpose of this section, the following terms have the meanings given.

(a) "Documentation" includes but is not limited to:

(1) sworn and notarized affidavits made on the personal knowledge of any person;

(2) official letters or documents;

(3) documents from the file of the petitioner; and

(4) other relevant documents that are admissible as evidence in a court of law.

(b) "Executive director" means the executive director of the teachers retirement association.

(c) "Person" includes any state institution, school district, or other governmental unit that employs persons covered under statutes listed in subdivision 2.

(d) "Record" means the petition and the documentation that the petitioners submit with the petition, the executive director's answer to the petition and documentation submitted with it, and any documentation the board allows to be submitted at or after the meeting at which the petition is considered.

Subd. 2. [NOTICE OF TERMINATION OR DENIAL.] If the executive director terminates a benefit or denies an application or a written request of any person claiming a right under this chapter or the applicable sections of chapters 136, 355, and 356, the executive director must serve upon that person a written notice. The notice must contain:

(1) the reasons for the termination or denial;

(2) notice that the person may petition the board for a review of the termination or denial and that the petition for review must be filed within 60 days of the receipt of the written notice;

(3) a statement that failure to petition the board within 60 days will preclude the person from contesting in any other court procedure or administrative hearing, the issues determined by the executive director; and

(4) a copy of this section.

Subd. 3. [PETITION FOR REVIEW.] A person who claims a right under subdivision 2 and whose benefit has been terminated or whose application or written request has been denied may petition for a review of that decision by the board. A petition under this section must be served upon the executive director personally, or by mail postmarked no later than 60 days after the petitioner received the notice required by subdivision 2. The petition must include the sworn, notarized statement of the reasons the petitioner believes the decision of the executive director should be reversed or modified and may include relevant documentation.

Subd. 4. [ANSWER; RECORD FOR HEARING.] Within a reasonable time after receiving a petition, the executive director must serve the petitioner with an answer to the petition with all relevant documentation and with notice of the time and place of the regular or special board meeting at which the board will consider the petition. The documentation need not duplicate the documentation submitted by the petitioner. Not later than ten days before the board meeting at which the petition will be heard and at the time the petition is considered by the board, the executive director must, personally or by mail, deliver a copy of the relevant documentation to each board member. Each board member who participates in the decision on the petition must be familiar with all relevant documentation.

Subd. 5. [HEARING.] The board shall hold a timely hearing on a petition for review. The board shall make its decision on a petition solely on the relevant documentation as submitted and the proceedings of the hearing. At the hearing the petitioner, the petitioner's attorney, and the executive director may state and discuss with the board their positions with respect to the petition. The board may allow further documentation to be placed in the record at or subsequent to the board meeting at which the petition is considered. If the board allows additional documentation into the record at or subsequent to the board meeting, it may make a final determination on the petition at that board meeting only upon the agreement of both the petitioner and the executive director.

Subd. 6. [TERMINATION OF BENEFITS.] If the executive director proposes to terminate a benefit that is being paid to any person, before terminating the benefit the executive director must, in addition to the other procedures prescribed herein, give the person written or oral notice of the proposed termination. The notice must explain the reason for the proposed termination. The person must be given an opportunity, verbally or in writing, to explain why the benefit should not be terminated. If the executive director is unable to contact the person and the executive director determines that a failure to terminate the benefit might result in unauthorized payment by the association, the executive director may terminate the benefit with only a written notice containing the information required by subdivision 2, mailed to the address to which the benefit was last sent and, if that address is a financial institution, to the last known address of the person.

Subd. 7. [MEDICAL ADVISOR ACTION.] If a person petitions the board to reverse or modify a determination by the executive director finding that the petitioner, for medical reasons, does not or has ceased to qualify for a disability benefit, the board may resubmit the matter to the medical advisor for reconsideration, with or without instructions to obtain further medical examinations. The board may make a determination contrary to the recommendation of the medical advisor only if there is expert medical evidence in the record to support its contrary decision. If there is no medical opinion contrary to the opinion of the medical advisor in the record and the medical advisor asserts that the decision was made in accordance with the disability standard in section 354.05, subdivision 14, the board must follow the determination of the medical advisor. The board may make a determination different from the recommendation of the medical advisor on issues that do not involve a medical opinion.

Subd. 8. [BOARD FINDINGS.] After the board has made a decision on a petition, the executive director must prepare findings of fact, the board's reasons for its conclusions, and the board's final order for the signature of the chair or other board member as the board, by resolution, may designate. The executive director must serve the findings, conclusions, and order on the petitioner by certified mail.

Subd. 9. [APPEALS.] Within 30 days of receipt of the findings, conclusions, and final order, the petitioner may appeal the board's decision by writ of certiorari to the court of appeals. Failure to appeal to that court within the 30 days precludes the petitioner from later raising, in any court procedure or administrative hearing, those substantive and procedural issues that reasonably should have been raised upon appeal.

Subd. 10. [REFERRAL FOR ADMINISTRATIVE HEARING.] Notwithstanding sections 14.03, 14.06, and 14.57 to 14.69, a chal-

lenge to a determination of the executive director must be conducted exclusively under the procedures in this section. The board in its sole discretion may refer a petition brought under this section to the office of administrative hearings for a contested case hearing under sections 14.57 to 14.69.

Subd. 11. [PETITION WITHOUT NOTICE.] A person who is not entitled to notice of a right of review under this section may nevertheless receive review of a decision of the executive director which affects the person's rights by petitioning the board under this section within 60 days of the time the person knew or should have known of the disputed decision.

Sec. 8. Minnesota Statutes 1988, section 354.091, is amended to read:

354.091 [SERVICE CREDIT.]

In computing the time of service of a teacher, the length of a legal school year in the district or institution where such service was rendered shall constitute a year under sections 354.05 to 354.10, provided such year is not less than the legal minimum school year of this state. No person shall be allowed credit for more than one year of teaching service for any fiscal year. Commencing July 1, 1969 1961 (1) if a teacher teaches only a fractional part of a day, credit shall be given for a day of teaching service for each five hours taught, and (2) if a teacher teaches at least 170 full days in any fiscal year credit shall be given for a full year of teaching service, and (3) if a teacher teaches for only a fractional part of the year credit shall be given for such fractional part of the year as the term of service rendered bears to 170 days. Teaching service performed prior to July 1, 1969 1961 shall be computed pursuant to the law in effect at the time it was rendered.

In no event shall any teacher lose or gain retirement service credit as a result of the employer converting to a four day work week. If the employer does convert to a four day work week, the forms for reporting and procedures for determining service credit shall be determined by the executive director with the approval of the board of trustees.

Sec. 9. Minnesota Statutes 1988, section 354.092, is amended to read:

354.092 [SABBATICAL LEAVE.]

A member who is granted a sabbatical leave may receive allowable service credit not exceeding three years in any ten consecutive years toward a retirement annuity by paying into the fund employee contributions during the period of leave. The employee contribution

shall be based upon the appropriate rate of contributions and the salary received during the year immediately preceding the leave. This payment shall be made by the end of the fiscal year following the fiscal year in which the leave of absence terminated, and shall be without interest. A member shall not accrue more than three years allowable service by reason of this section unless the allowable service credit was paid for by the member prior to July 1, 1962. A sabbatical leave for the purpose of this section shall be compensated by a minimum of one-third of the salary the member received for a comparable period during the prior fiscal year. Before the end of the fiscal year during which any sabbatical leave begins, the employing unit granting the leave must certify the leave to the association on a form specified by the executive director. Deductions for employee contributions at the applicable rate specified in section 354.42 must be made by the employing unit from salary paid to the member for a sabbatical leave. The member may also make direct payment of employee contributions at the appropriate rates specified in section 354.42 based upon the difference between the salary received for the sabbatical leave and the salary received for a comparable period during the year immediately preceding the leave. This direct payment must be made by the end of the fiscal year following the fiscal year in which the leave of absence terminated and must be without interest. If the employee contributions during the period of the leave made under this section are less than the employee contributions based on the salary received made for a comparable period during the year immediately preceding the leave, the allowable and formula service credit of the member shall be prorated according to section 354.05, subdivision 25, clause (3), except that if the member is paid full salary for any sabbatical leave of absence, either past or prospective, the allowable and formula service credit shall not be prorated. A member may not receive more than three years of allowable service credit in any ten consecutive years under this section unless the allowable service credit was paid for by the member before July 1, 1962. For sabbatical leaves taken that begin after June 30, 1986, the required employer contribution, including the amortization amount contributions specified in section 354.42, subdivisions 3 and 5, shall must be paid by the employing unit within 30 days after the association's written notification by the association to the employing unit of the amount due.

Sec. 10. Minnesota Statutes 1988, section 354.10, subdivision 2, is amended to read:

Subd. 2. [AUTOMATIC DEPOSITS.] The board may pay an annuity or benefit to a banking institution, qualified under chapter 48, that is a trustee for a person eligible to receive such the annuity or benefit. Upon completion of the proper forms as provided by the board executive director, the annuity or benefit amount may be electronically transferred or the annuity or benefit check may be mailed to a banking institution, savings association or credit union

for deposit to the recipient's individual account or joint account with a the recipient's spouse. The board shall prescribe the conditions which shall govern these procedures.

Sec. 11. Minnesota Statutes 1988, section 354.35, is amended to read:

354.35 [RETIREMENT BEFORE BECOMING ELIGIBLE FOR SOCIAL SECURITY OPTIONAL ACCELERATED RETIREMENT ANNUITY BEFORE AGE 65.]

Any coordinated member who retires before becoming eligible for social security retirement benefits age 65, may elect to receive an optional accelerated retirement annuity from the association which provides for different annuity amounts over different periods of retirement. The election of this optional accelerated retirement annuity shall be exercised by making an application to the board on a form provided by the board. The optional accelerated retirement annuity shall take the form of an annuity payable for the period before the member attains the age of 65 years in a greater amount than the amount of the annuity calculated under section 354.44 on the basis of the age of the member at retirement but equal insofar as possible to the social security old age retirement benefit and the adjusted retirement annuity amount payable immediately after the annuitant becomes eligible for social security old age retirement benefits in an amount less than the amount of the annuity calculated under section 354.44 on the basis of the age of the member at retirement. The social security leveling option may be calculated based on broad average social security old age retirement benefits. The optional accelerated retirement annuity shall must be the actuarial equivalent of the member's annuity computed on the basis of the member's age at retirement. The greater amount shall must be paid until the member retiree reaches the age of 65 and at which that time the payment from the association shall must be reduced. For each year the retiree is under age 65, up to five percent of the total life annuity required reserves may be used to accelerate the optional retirement annuity under this section. The method of computing the optional accelerated retirement annuity provided in this section shall be established by the board of trustees. In establishing the method of computing the optional accelerated retirement annuity, the board of trustees shall must obtain the written recommendation approval of the commission-retained actuary. The recommendations shall written approval must be a part of the permanent records of the board of trustees.

Sec. 12. Minnesota Statutes 1988, section 354.42, subdivision 7, is amended to read:

Subd. 7. [ERRONEOUS SALARY DEDUCTIONS OR DIRECT PAYMENTS.] (4) (a) Any deductions taken from the salary of an employee for the retirement fund in error shall, be refunded to the

employee upon discovery and verification by the school district or institution employing unit making the deduction, be refunded to the employee and the corresponding employer contribution and additional employer contribution amounts attributable to the erroneous salary deduction must be refunded to the employing unit.

(2) In the event (b) If salary deductions and employer contributions were erroneously transmitted to the retirement fund and should have been transmitted to another public pension fund enumerated in section 356.30, subdivision 3, the retirement fund must transfer these salary deductions and employer contributions to the appropriate public pension fund without interest.

(c) If a salary warrant or check from which a deduction for the retirement fund was taken has been canceled or the amount of the warrant or check has been returned to the funds of the school district or institution employing unit making the payment, a refundment refund of the sum so amount deducted, or any portion of it as that is required to adjust the salary deductions, shall be made to the school district or institution provided application for it is made on a form furnished by the retirement board employing unit.

(d) Any erroneous direct payments of member paid contributions or erroneous salary deductions that were not refunded in the regular processing of an employing unit's annual summary report shall be refunded to the member with interest computed using the rate and method specified in section 354.49, subdivision 2.

Sec. 13. Minnesota Statutes 1988, section 354.44, subdivision 3, is amended to read:

Subd. 3. [APPLICATION FOR RETIREMENT.] Retirement may Application for retirement must be made upon application of by the member or of by someone acting authorized to act in the member's behalf. Application must be made on a form prescribed by the executive director.

Sec. 14. Minnesota Statutes 1988, section 354.44, subdivision 5, is amended to read:

Subd. 5. [RESUMPTION OF TEACHING SERVICE AFTER RETIREMENT.] Any person who retired under any provision of any retirement law applicable to schools and institutions covered by the provisions of this chapter and has thereafter resumed teaching in any school or institution employer unit to which this chapter applies shall is eligible to continue to receive payments in accordance with the annuity except that annuity payments must be reduced during any the calendar year immediately following any calendar year in which the person's income from the teaching service is in an amount equal to or greater than the annual maximum earnings allowable for that age for the continued receipt of full benefit amounts

monthly under the federal old age, survivors and disability insurance program as set by the secretary of health and human services pursuant to the provisions of under United States Code, title 42, section 403. The amount of the reduction must be one-half of the amount in excess of the applicable reemployment income maximum specified in this subdivision and must be deducted from the annuity payable for the calendar year immediately following the calendar year in which the excess amount was earned. If the person has not yet reached the minimum age for the receipt of social security benefits, the maximum earnings for the person must be equal to the annual maximum earnings allowable for the minimum age for the receipt of social security benefits.

If the person is retired for only a fractional part of the calendar year during the initial year of retirement, the maximum reemployment income specified in this subdivision must be prorated for that calendar year.

After a person has reached the age of 70, no reemployment income maximum is applicable regardless of the amount of income. For the purpose of this subdivision, income from teaching service shall include includes, but is not limited to:

(a) all income for services performed as a consultant or an independent contractor for an employer unit covered by the provisions of this chapter; and

(b) the greater of either the income received or an amount based on the rate paid with respect to an administrative position, consultant, or independent contractor in an employer unit with approximately the same number of pupils and at the same level as the position occupied by the person who resumes teaching service.

In the event that the person has not yet reached the minimum age for the receipt of social security benefits, the maximum earnings for the person shall be equal to the annual maximum earnings allowable for the minimum age for the receipt of social security benefits. The amount in excess of the applicable reemployment income maximum specified in this subdivision shall be deducted from the annuity payable for the year immediately following the year in which the excess amount was earned. After a person has reached the age of 70, the person shall receive the annuity in full regardless of the amount of income.

Sec. 15. Minnesota Statutes 1988, section 354.44, is amended by adding a subdivision to read:

Subd. 5a. [EXEMPTION FOR INTERIM SUPERINTENDENT.] A person who performs services as an interim superintendent because of the death, disability, termination, or resignation of the previous superintendent is exempt from the earnings limitations

and reductions in annuity payments in subdivision 5 for up to 90 working days of service as an interim superintendent. During this period of up to 90 working days, the school board may pay the interim superintendent at any rate, up to the rate paid to the previous superintendent. This exemption applies only if the school board hiring the interim superintendent submits an application for the exemption to the executive director, and the executive director approves the application before the services as interim superintendent begin. The application must certify that the school board has unanimously approved the exemption from the earnings limitations and reductions. The executive director may prescribe a form for the application. A school board may not apply for more than one exemption in a fiscal year. No more than three exemptions may be approved for any person. Only one exemption may be approved for any person in a fiscal year.

Sec. 16. Minnesota Statutes 1988, section 354.44, subdivision 8, is amended to read:

Subd. 8. [ANNUITY PAYMENT; EVIDENCE OF RECEIPT.] Payment of An annuity or benefit for a given month shall must be paid during the first week of that month. Evidence of receipt of the check issued or acknowledgment of the amount electronically transferred in payment of an annuity or benefit shall be submitted by may be required from the payee or a banking institution on a form prescribed by the executive director. The evidence of receipt form shall may be submitted required periodically at times specified by the board. In the event the required evidence of receipt form is not submitted required, future annuities or benefits shall must be withheld until the form is submitted.

Sec. 17. Minnesota Statutes 1988, section 354.47, subdivision 2, is amended to read:

Subd. 2. [BENEFITS OF \$500 \$1,500 OR LESS.] If a member or a former member dies without having a surviving designated a beneficiary, or if the beneficiary should die before making application for the refundment and the amount to the credit of such deceased member or former member, and the amount of the benefit the decedent is \$500 \$1,500 or less, the retirement board of trustees may 90 days after the date of death of the member or former member, in the absence of probate proceedings, make payment to the surviving spouse of the deceased member or former members, or, if none to the next of kin under the laws of descent of the state of Minnesota and such decedent. This payment shall be a bar to recovery of this payment from the association by any other person or persons. Any accrued retirement allowance or annuity which shall have accrued at the time of death of an annuitant, disability, or survivor benefit, may be paid in like the same manner.

Sec. 18. Minnesota Statutes 1988, section 354.48, subdivision 1, is amended to read:

Subdivision 1. [AGE, SERVICE AND SALARY REQUIREMENTS.] Any A member who became is totally and permanently disabled after and has at least five years of credited allowable service shall be at the time that the total and permanent disability begins is entitled to a disability benefit based on this allowable service in an amount provided in subdivision 3. If such the disabled person's member's teaching service has terminated at any time, at least three of the required five years of allowable service must have been rendered after last becoming a member. Any member whose average salary is less than \$75 per month shall is not be entitled to disability benefits.

Sec. 19. Minnesota Statutes 1988, section 354.48, subdivision 2, is amended to read:

Subd. 2. [APPLICATIONS.] Any person described in subdivision 1, or another person authorized to act on behalf of the person; may make application for a total and permanent disability benefit only within the 18 months month period following the termination of teaching service but not thereafter. This benefit shall begin to accrue accrues from the day following the commencement of disability or the day following the date on last day for which salary ceases is paid, whichever is later, but shall may not begin to accrue more than 90 days prior to before the date the application is filed with the board. If salary is being received for either annual or sick leave during the period, payments shall accrue from the date day following the last day for which this salary ceases is paid.

Sec. 20. Minnesota Statutes 1988, section 354.65, is amended to read:

354.65 [ADMINISTRATIVE EXPENSES.]

Necessary and reasonable administrative expenses incurred by the teachers retirement association shall must be prorated and allocated to the teachers retirement fund, and the organization's participation in both the Minnesota variable annuity investment fund; the Minnesota postretirement investment fund and the Minnesota supplemental investment retirement fund in accordance with policies and procedures established by the board of trustees of the teachers retirement association.

Sec. 21. [354A.095] [MATERNITY LEAVE.]

A basic or coordinated member of the St. Paul teachers' retirement fund association and old or new coordinated members of the Duluth teachers' retirement fund association, who are granted

parental or maternity leave of absence by the employing authority, are entitled to obtain service credit not to exceed one year for the period of leave upon payment to the applicable fund by the end of the fiscal year in which the leave of absence terminated. The amount of the payment must include the total required employee and employer contributions for the period of leave prescribed in section 354A.12. Payment must be based on the member's average monthly salary upon return to teaching service, and is payable without interest. Payment must be accompanied by a certified or otherwise adequate copy of the resolution or action of the employing authority granting or approving the leave.

Sec. 22. Minnesota Statutes 1988, section 354A.31, subdivision 3, is amended to read:

Subd. 3. [RESUMPTION OF TEACHING AFTER COMMENCEMENT OF A RETIREMENT ANNUITY.] Any person who retired and is receiving a coordinated program retirement annuity under the provisions of sections 354A.31 to 354A.41 and who has resumed teaching service for the school district in which the teachers retirement fund association exists shall be is entitled to continue to receive retirement annuity payments except that for any person under the age of 72 years during any quarter in which the person's compensation for the teaching service is in an amount equal to or greater than the quarterly maximum earnings allowable for that age for the continued receipt of full benefit amounts monthly under the federal old age, survivors and disability insurance program as set by the secretary of health and human services pursuant to the provisions of United States Code, title 42, section 403. In the event that the person has not yet reached the minimum age for the receipt of social security benefits, the maximum earnings for the person shall be equal to the quarterly maximum earnings allowable for the minimum age for the receipt of social security benefits. The amount in excess of the applicable reemployment income maximum specified in this subdivision shall be deducted from the retirement annuity payment payable for the quarter immediately following the quarter in which the excess amount was earned. Any person to whom this subdivision applies who has reached the age of at least 72 years shall be entitled to continue to receive retirement annuity payments in full that annuity payments must be reduced during the calendar year immediately following the calendar year in which the person's income from the teaching service is in an amount greater than the annual maximum earnings allowable for that age for the continued receipt of full benefit amounts monthly under the federal old age, survivors and disability insurance program as set by the secretary of health and human services under the provisions of United States Code, title 42, section 403. The amount of the reduction must be one-half the amount in excess of the applicable reemployment income maximum specified in this subdivision and must be deducted from the annuity payable for the calendar year immediately following the calendar year in which the excess

amount was earned. If the person has not yet reached the minimum age for the receipt of social security benefits, the maximum earnings for the person must be equal to the annual maximum earnings allowable for the minimum age for the receipt of social security benefits.

If the person is retired for only a fractional part of the calendar year during the initial year of retirement, the maximum reemployment income specified in this subdivision must be prorated for that calendar year.

After a person has reached the age of 70, no reemployment income maximum is applicable regardless of the amount of any compensation received for teaching service for the school district in which the teachers retirement fund association exists.

Sec. 23. Minnesota Statutes 1988, section 356.30, subdivision 2, is amended to read:

Subd. 2. [REPAYMENT OF REFUNDS.] Any A person who is employed has service credit in a position covered by one of the funds enumerated in subdivision 3 and who is employed or was formerly employed in a position covered by one of these funds but also has received a refund from any other of such these funds, may repay such the refund to the respective fund under such terms and conditions as that are consistent with the laws governing such the other fund, except that the person need not be a currently contributing member of the fund to which the refund is repaid at the time the repayment is made. Unless otherwise provided by statute, the repayment of a refund under this subdivision may only be made within six months following termination of employment from a position covered by one of the funds enumerated in subdivision 3 or before the date of retirement from the fund to which the refund is repaid, whichever is earlier.

Sec. 24. Minnesota Statutes 1988, section 356.371, subdivision 3, is amended to read:

Subd. 3. [REQUIREMENT OF NOTICE TO MEMBER'S SPOUSE.] If a public pension fund provides optional retirement annuity forms which include a joint and survivor optional retirement annuity form potentially applicable to the surviving spouse of a member, the chief administrative officer of the public pension fund shall send a copy of the written statement required by subdivision 2 to the spouse of the member prior to before the member's election of an optional retirement annuity.

Following the election of an optional retirement annuity form by the member, a copy of the completed retirement annuity application shall and retirement annuity beneficiary form must be sent by certified mail by the public pension fund to the spouse of the retiring

member. A signed acknowledgment must be required from the spouse confirming receipt of a copy of the completed retirement annuity application and retirement annuity beneficiary form. If the required signed acknowledgment is not received from the spouse within 30 days, the public pension fund must send another copy of the completed retirement annuity application and retirement annuity beneficiary form to the spouse by certified mail.

Sec. 25. Minnesota Statutes 1988, section 356.80, subdivision 1, is amended to read:

Subdivision 1. [INFORMATION FOR A PENDING MARRIAGE DISSOLUTION.] (a) Upon written request by a person with access to the data under subdivision 3 who cites this statute, a public or private pension plan administrator must provide the court and the parties to a marriage dissolution action involving a plan member or former plan member with information regarding pension benefits or rights of the plan member or former plan member. The pension plan shall provide this information upon request of the court or a party to the action without requiring a signed authorization from the plan member or former plan member.

(b) The information must include the pension benefits or rights of the plan member or former plan member as of the first day of the month following the date of the request, or as of the end of the previous fiscal year for the plan, and as of the date of valuation of marital assets under section 518.58, if the person requesting the information specifies that date. The information must include the accrued service credit of the person, the credited salary of the person for the most current five-year period, a summary of the benefit plan, and any other information relevant to the calculation of the present value of the benefits or rights.

Sec. 26. Minnesota Statutes 1988, section 356.80, subdivision 3, is amended to read:

Subd. 3. [ACCESS TO DATA.] Notwithstanding any provision of chapter 13 to the contrary, an administrator may release private or confidential data on individuals to the court, the parties to a marriage dissolution, their attorneys, and an actuary appointed under section 518.582, to the extent necessary to comply with this section, but only if the administrator has received a copy of the legal petition showing that an action for marriage dissolution has commenced and a copy of the affidavit of service showing that the petition has been served on the responding party to the action.

Sec. 27. [356.81] [REPAYMENT OF REFUNDS.]

Repayment of a refund and interest on that refund permitted under laws governing any public pension plan in Minnesota may be made with funds distributed from a plan qualified under the federal

Internal Revenue Code of 1986, as amended through December 31, 1988, section 401(a) or an annuity qualified under the federal Internal Revenue Code of 1986, section 403(a). Repayment may also be made with funds distributed from an individual retirement account used solely to receive a nontaxable rollover from that type of a plan or annuity. The repaid refund must be separately accounted for as member contributions not previously taxed. Before accepting any transfers to which this subdivision applies, the executive director must require the member to provide written documentation to demonstrate that the amounts to be transferred are eligible for a tax-free rollover and qualify for that treatment under the federal Internal Revenue Code of 1986.

Sec. 28. [REPEALER.]

Minnesota Statutes 1988, sections 136.88, subdivision 3; 354.41, subdivision 3; 354.531; 354.532; 354.55, subdivision 5; and 354.56, are repealed.

Sec. 29. [EFFECTIVE DATE.]

Sections 2 to 13 and 15 to 28 are effective the day following final enactment. Section 1 is effective July 1, 1989. Section 14 is effective January 1, 1989.

ARTICLE 3

PERA

Section 1. Minnesota Statutes 1988, section 353.01, subdivision 2a, is amended to read:

Subd. 2a. [INCLUDED EMPLOYEES.] The following persons are included in the meaning of "public employee":

- (1) elected or appointed officers and employees of elected officers;
- (2) district court reporters;
- (3) officers and employees of the public employees retirement association;
- (4) employees of the league of Minnesota cities;
- (5) employees of the association of metropolitan municipalities;
- (6) officers and employees of public hospitals owned or operated by, or an integral part of, a governmental subdivision or governmental subdivisions;

~~(6)~~ (7) employees of a school district who receive separate salaries for driving their own buses;

(7) ~~(8)~~ employees of the association of Minnesota counties;

~~(8)~~ (9) employees of the metropolitan intercounty association;

~~(9)~~ (10) employees of the Minnesota municipal utilities association;

~~(10)~~ (11) employees of the Minnesota association of townships when the board of the association, at its option, certifies to the executive director that its employees are to be included for purposes of retirement coverage, in which case coverage of all employees of the association is permanent;

(12) employees of the metropolitan airports commission if employment initially commenced after June 30, 1979;

~~(11)~~ (13) employees of the Minneapolis employees retirement fund; if employment initially commenced after June 30, 1979;

(12) ~~(14)~~ employees of the range association of municipalities and schools;

~~(13)~~ (15) employees of the soil and water conservation districts;

(14) ~~(16)~~ employees of a county historical society who are county employees;

~~(15)~~ (17) employees of a county historical society located in the county whom the county, at its option, certifies to the executive director to be county employees for purposes of retirement coverage under this chapter, which status must be accorded to all similarly situated county historical society employees and, once established, must continue as long as a person is an employee of the county historical society and is not excluded under subdivision 2b;

~~(16)~~ (18) employees of an economic development authority created under sections 458C.01 to 458C.23;

(17) (19) employees of the department of military affairs of the state of Minnesota who are full-time firefighters; and

(20) employees who became members before July 1, 1988, based on the total salary of positions held in more than one governmental subdivision.

Sec. 2. Minnesota Statutes 1988, section 353.01, subdivision 2b, is amended to read:

Subd. 2b. [EXCLUDED EMPLOYEES.] (a) The following persons are excluded from the meaning of "public employee":

(1) persons who are employed for professional services where the service is incidental to regular professional duties, determined on the basis that compensation for the service amounts to no more than 25 percent of the person's total annual gross earnings for all professional duties;

(2) election officers;

(3) independent contractors and their employees;

(4) patient and inmate ~~help~~ personnel who perform services in governmental ~~subdivision~~ charitable, penal, and or correctional institutions of a governmental subdivision;

(5) members of boards, commissions, bands, and others who serve ~~the~~ a governmental subdivision intermittently;

(6) employees whose employment is not expected to continue for a period longer than six consecutive months; unless it involves employment for a probationary period that is part of a permanent position. Immediately following the expiration of a six-month period of employment, if the employee continues in public service and earns more than \$425 from one governmental subdivision in any one calendar month, the department head shall report the employee for membership and require employee deductions be made on behalf of the employee in accordance with section 353.27, subdivision 4. Membership eligibility of an employee who holds concurrent temporary employment of six months or less and part-time positions in one governmental subdivision must be determined by the salary of each position. Membership eligibility of an employee who holds nontemporary positions in one governmental subdivision must be determined by the total salary of all positions;

(7) part-time employees who receive monthly compensation from a one governmental subdivision not exceeding \$425, and part-time employees and elected officials whose annual compensation from a one governmental subdivision is stipulated in advance, in writing, to be not more than \$5,100 per calendar year or per school year for school employees for employment expected to be of a full year's duration or more than the prorated portion of \$5,100 per employment period for employment expected to be of less than a full year's duration, except that members continue their membership until termination of public service; Membership eligibility of an employee who holds concurrent part-time positions under this clause must be determined by the total salary of all such positions in one governmental subdivision. If compensation from one governmental subdivision to an employee under this paragraph exceeds \$5,100 per calendar year or school year after being stipulated in advance not to

exceed that amount, the stipulation is no longer valid and contributions must be made on behalf of the employee in accordance with section 353.27, subdivision 12, from the month in which the employee's earnings first exceeded \$425;

(8) persons who first occupy an elected office after July 1, 1988, the compensation for which does not exceed \$425 per month;

(9) emergency employees who are employed by reason of work caused by fire, flood, storm, or similar disaster;

(10) employees who by virtue of their employment as an officer or employee of a in one governmental subdivision are required by law to be a member of and to contribute to any of the plans or funds administered by the state employees retirement system, the teachers retirement fund, the state patrol retirement fund, the Duluth teachers retirement fund association, the Minneapolis teachers retirement fund association, the St. Paul teachers retirement fund association, the Minneapolis employees retirement fund, the Minnesota state retirement system correctional officers retirement plan, or any police or firefighters relief association governed by section 69.77 that has not consolidated with the public employees police and fire fund and for which the employee has not elected coverage by the public employees police and fire fund benefit plan as provided in sections 353A.01 to 353A.10, other than as an act of the legislature has specifically enabled participation by employees of a designated governmental subdivision in a plan supplemental to the public employees retirement association; Minnesota state retirement system, the teachers retirement association, the Duluth teachers retirement fund association, the Minneapolis teachers retirement association, the St. Paul teachers retirement fund association, the Minneapolis employees retirement fund, or any police or firefighters relief association governed by section 69.77 that has not consolidated with the public employees police and fire fund, or any police or firefighters relief association that has consolidated with the public employees retirement association but whose members have not elected coverage by the public employees police and fire fund as provided in sections 353A.01 to 353A.10. This clause must not be construed to prevent a person from being a member of and contributing to the public employees retirement association and also belonging to and contributing to another public pension fund for other service occurring during the same period of time. A person who meets the definition of "public employee" in subdivision 2 by virtue of other service occurring during the same period of time shall become a member of the association unless contributions are made to another public retirement fund on the salary based on the other service or to the teachers retirement association by a teacher as defined in section 354.05, subdivision 2;

(11) police matrons who are employed in a police department of a

city who are transferred to the jurisdiction of a joint city and county detention and corrections authority;

(12) persons who are excluded from coverage under the federal old age, survivors, disability, and health insurance program for the performance of service as specified in United States Code, title 42, section 410(a) (8) (A), as amended through January 1, 1987;

(13) full-time students who are enrolled and are regularly attending classes at an accredited school, college, or university and who are not employed full time by a governmental subdivision;

(14) resident physicians, medical interns, and pharmacist residents and interns who are serving in a degree or residency program in public hospitals and students who are serving in an internship or residency program sponsored by an accredited educational institution;

(15) appointed or elected officers, who are paid entirely on a fee basis, and who were not members on June 30, 1971;

(16) persons holding who hold a part-time adult supplementary technical institute license who render part-time teaching service in a technical institute if the service is incidental to the person's regular nonteaching occupation, the applicable technical institute stipulates annually in advance that the part-time teaching service will not exceed 300 hours in a fiscal year, and the part-time teaching service actually does not exceed 300 hours in a fiscal year; and;

(17) persons exempt from licensure under section 125.031;

(18) except as provided in section 353.86, volunteer ambulance service personnel, as defined in subdivision 35, but persons who serve as volunteer ambulance service personnel may still qualify as public employees under subdivision 2 and may be members of the public employees retirement association and participants in the public employees retirement fund or the public employees police and fire fund on the basis of compensation received from public employment service other than service as volunteer ambulance service personnel; and

(19) except as provided in section 353.87, volunteer firefighters, as defined in subdivision 36, engaging in activities undertaken as part of volunteer firefighter duties; provided that a person who is a volunteer firefighter may still qualify as a public employee under subdivision 2 and may be a member of the public employees retirement association and a participant in the public employees retirement fund or the public employees police and fire fund on the basis of compensation received from public employment activities other than those as a volunteer firefighter.

(b) Immediately following the expiration of a six-month period of employment by an employee covered by paragraph (a), clause (6), if the employee continues in public service and earns more than \$425 from a governmental subdivision in any one calendar month, the department head shall report the employee for membership and cause employee contributions to be made on behalf of the employee in accordance with section 353.27, subdivision 4, and the employee remains a member until termination of public service. This paragraph may not be construed to exclude an employee from membership whose employment is expected to continue for more than six months but who is serving a probationary period.

(c) If compensation from a governmental subdivision to an employee covered by paragraph (a), clause (7), exceeds \$5,100 per calendar year or school year after being stipulated in advance, the stipulation is no longer valid and contributions must be made on behalf of the employee in accordance with section 353.27, subdivision 12, from the month in which the employee first exceeded \$425.

(d) Paragraph (a), clause (10), does not prevent a person from being a member of and contributing to the public employees retirement association and also belonging to or contributing to another public pension fund for other service occurring during the same period of time. A person who meets the definition of "public employee" in subdivision 2, by virtue of other service occurring during the same period of time shall become a member of the association unless contributions are made to another public retirement fund on the salary based on the other service or to the teachers retirement association in accordance with section 354.05, subdivision 2.

Sec. 3. Minnesota Statutes 1988, section 353.01, subdivision 10, is amended to read:

Subd. 10. [SALARY.] "Salary" means the periodical compensation of a public employee, before deductions for deferred compensation, supplemental retirement plans, or other voluntary salary reduction programs, and also means "wages" and includes net income from fees. Fees paid to district court reporters are not considered a salary. Lump sum annual or lump sum sick leave payments, severance payments, and all payments in lieu of any employer-paid group insurance coverage, including the difference between single and family rates that may be paid to a member with single coverage, are not deemed to be salary. Before the time that all sick leave has been used, amounts paid to an employee under a disability insurance policy or program where the employer paid the premiums are considered salary, and, after all sick leave has been used, the payment is not considered salary. Workers' compensation payments are not considered salary. Except as provided in sections 353.86 or 353.87, compensation of any kind paid to volunteer ambulance service personnel or volunteer firefighters, as defined in subdivi-

sions 35 and 36, is not considered salary. For a public employee who has prior service covered by a local police or firefighters relief association that has consolidated with the public employees police and fire fund and who has elected coverage by the public employees police and fire fund benefit plan as provided in section 353A.08 following the consolidation, "salary" means the rate of salary upon which member contributions to the special fund of the relief association were made prior to the effective date of the consolidation as specified by law and by bylaw provisions governing the relief association on the date of the initiation of the consolidation procedure and the actual periodical compensation of the public employee after the effective date of the consolidation.

Sec. 4. Minnesota Statutes 1988, section 353.01, is amended by adding a subdivision to read:

Subd. 11a. [TERMINATION OF PUBLIC SERVICE.] An officer or employee who terminates employment but within 30 days returns to employment in the same governmental subdivision or begins employment in another position otherwise excluded from membership is considered a member from the beginning of the reemployment unless the total period covered by all periods of employment is less than six months or the amount earned does not exceed the dollar limitations in subdivision 2b, clause (7).

Sec. 5. Minnesota Statutes 1988, section 353.01, is amended by adding a subdivision to read:

Subd. 35. [VOLUNTEER AMBULANCE SERVICE PERSONNEL.] "Volunteer ambulance service personnel," for purposes of this chapter, are basic and advanced life support emergency medical service personnel employed by or providing services for any public ambulance service or privately operated ambulance service that receives an operating subsidy from a governmental entity.

Sec. 6. Minnesota Statutes 1988, section 353.01, is amended by adding a subdivision to read:

Subd. 36. [VOLUNTEER FIREFIGHTER.] For purposes of this chapter, a person is considered a "volunteer firefighter" for all service for which the person receives credit in an association or fund operating under chapter 424A.

Sec. 7. Minnesota Statutes 1988, section 353.27, subdivision 12, is amended to read:

Subd. 12. [OMITTED SALARY DEDUCTIONS; OBLIGATIONS.] In the case of omission of required deductions from salary of an employee, past due for 60 days or less, the head of the department shall deduct from the employee's next salary payment and remit to

the executive director the amount of the employee contribution delinquency, with the department head shall immediately, upon discovery, report the employee for membership and require employee deductions be made in accordance with subdivision 4. Omitted employee deductions due for the 60-day period preceding enrollment must be deducted from the employee's next salary payment and remitted to the association. The employer shall pay any remaining omitted employee deductions past due and any omitted employer contributions, plus cumulative interest at the rate of six percent a year, compounded annually, from the date or dates each delinquent omitted employee contribution was first payable. The interest must be paid by the employer. Omitted required deductions past due for a period in excess of 60 days are the sole obligation of the governmental subdivision from the time the deductions were first payable, together with interest as specified in this subdivision. Any amount so due, together with employer and additional employer contributions at the rates and in the amounts specified in subdivisions 3 and 3a, with interest at the rate of six percent compounded annually from the date they were first payable, from the employer must be paid from the proceeds of a tax levy made under section 353.28 or from other funds available to the employer. Unless otherwise indicated, An employer shall not hold an employee liable for omitted employee deductions due for more than the 60-day period preceding enrollment nor attempt to recover from the employee those employee deductions paid by the employer. Neither an employer nor an employee is responsible to pay omitted employee deductions when an employee terminates public service before making payment of omitted employee deductions to the association, but the employer remains liable to pay omitted employer contributions plus interest at the rate of six percent compounded annually from the date the contributions were first payable. This subdivision has both retroactive and prospective application, and the governmental subdivision is liable retroactively and prospectively for all amounts due under it. No action for the recovery of omitted employee and employer contributions or interest on contributions may be commenced and no payment of omitted contributions may be made or accepted unless the association has already commenced action for recovery of omitted contributions. The association may not commence action for the recovery of omitted employee deductions and employer contributions after the expiration of three calendar years after the calendar year in which the contributions and deductions were omitted. No payment may be made or accepted unless the association has already commenced action for recovery of omitted deductions. An action for the recovery of omitted contributions or interest commences five calendar days after on the date of the mailing of any written correspondence from the association requesting information from the governmental unit that may lead to a recovery of omitted contributions subdivision upon which to determine whether or not omitted deductions occurred.

Sec. 8. Minnesota Statutes 1988, section 353.28, subdivision 5, is amended to read:

Subd. 5. Any amount which becomes due and payable pursuant to this section or section 353.27, subdivision 4, shall bear compound interest at the rate of six percent per year from the date due for the next five calendar days, and compound interest at the rate of ten percent per year for amounts past due in excess of five calendar days until the date payment is actually received in the office of the association, with a minimum charge of \$10. Interest for past due payments of excess police state aid under section 69.031, subdivision 5, must be charged at a rate of six percent compounded annually.

Sec. 9. Minnesota Statutes 1988, section 353.28, subdivision 6, is amended to read:

Subd. 6. If the governmental subdivision fails to pay amounts due under this chapter or fails to make payments of excess police state aid to the public employees police and fire fund under section 69.031, subdivision 5, the executive director shall certify those amounts to the governmental subdivision for payment. If the governmental subdivision fails to remit the sum so due in a timely fashion, the executive director shall certify amounts to the county auditor for collection. The county auditor shall collect such amounts out of the revenue of the governmental subdivision, or shall add them to the levy of the governmental subdivision and make payment directly to the association. This tax shall be levied, collected and apportioned in the manner other taxes are levied, collected and apportioned.

Sec. 10. Minnesota Statutes 1988, section 353.29, subdivision 4, is amended to read:

Subd. 4. [APPLICATION FOR ANNUITY.] Application for a retirement annuity may be made by a member or by a person authorized to act on behalf of the member. Every application for retirement shall be made in writing on a form prescribed by the executive director and shall be substantiated in writing by written proof of the member's age of the member and identity. No application for a retirement annuity may be considered complete until all necessary supporting documents are received by the executive director.

Sec. 11. Minnesota Statutes 1988, section 353.29, subdivision 7, is amended to read:

Subd. 7. [ANNUITIES; ACCRUAL.] Except as to elected public officials, all retirement annuities granted under the provisions of this chapter shall commence with the first day of the first calendar month next succeeding the date of termination of public service and shall be paid in equal monthly installments, but no payment shall accrue beyond the end of the month, in which entitlement to such annuity has terminated. If the annuitant dies prior to negotiating the check for the month in which death occurs, payment will be

made to the surviving spouse or if none to the designated beneficiary or if none to the estate. Any annuity granted to an elective public official shall accrue on the day following expiration of the public office held or right thereto, and the annuity for that month shall be prorated accordingly. No annuity, once granted, shall be increased, decreased, or revoked except as provided in this chapter. No annuity payment shall be made retroactive for more than three months prior to that month in which application therefor shall be filed with the association a complete application is received by the executive director as provided in subdivision 4.

Sec. 12. Minnesota Statutes 1988, section 353.33, subdivision 1, is amended to read:

Subdivision 1. [AGE, SERVICE, AND SALARY REQUIREMENTS.] Any member who becomes totally and permanently disabled before age 65 and after five years of allowable service shall be entitled to a disability benefit in an amount provided in subdivision 3. If such the disabled person's public service has terminated at any time, at least three of the required five years of allowable service must have been rendered after last becoming a member. Any member whose average salary is less than \$75 per month shall not be entitled to a disability benefit. No repayment of a refund otherwise authorized pursuant to section 353.34 and A repayment of a refund may be made before the effective date of disability benefits under subdivision 2. No purchase of prior service or payment made in lieu of salary deductions otherwise authorized pursuant to section 353.01, subdivision 16, 353.017, subdivision 4, or 353.36, subdivision 2, may be made after the occurrence of the disability for which an application pursuant to this section is filed.

Sec. 13. Minnesota Statutes 1988, section 353.33, subdivision 2, is amended to read:

Subd. 2. [APPLICATIONS; ACCRUAL OF BENEFITS.] Every claim or demand for a total and permanent disability benefit shall must be initiated by written application in the manner and form prescribed by the executive director, filed in the office of the retirement association, showing compliance with the statutory conditions qualifying the applicant for a total and permanent disability benefit and filed with the executive director. A member or former member who became totally and permanently disabled during a period of membership may file application for total and permanent disability benefits within three years next following termination of public service, but not thereafter. This benefit shall begin to accrue the day following the commencement of disability, 90 days preceding the filing of the application, or, if annual or sick leave is paid for more than the said 90 day period, from the date salary ceased whichever is later. No payment shall accrue beyond the end of the month in which entitlement has terminated. If the disabilitant dies prior to negotiating the check for the month in which death

occurs, payment will be made to the surviving spouse, or if none, to the designated beneficiary, or if none, to the estate. An applicant for total and permanent disability benefits may file a retirement annuity application under section 353.29, subdivision 4, simultaneously with an application for total and permanent disability benefits. The retirement annuity application is void upon the determination of the entitlement for disability benefits by the executive director. If disability benefits are denied, the retirement annuity application must be initiated and processed.

Sec. 14. Minnesota Statutes 1988, section 353.33, subdivision 5, is amended to read:

Subd. 5. [BENEFITS PAID UNDER WORKERS' COMPENSATION LAW.] Disability benefits paid shall be ~~reimbursed and future benefits shall be reduced by~~ coordinated with any amounts received or receivable, including under workers' compensation law, such as temporary total, permanent total, temporary partial or, permanent partial, or economic recovery compensation benefits, in either periodic or lump sum payments from the employer under applicable workers' compensation laws, after deduction of amount of attorney fees, authorized under applicable workers' compensation laws, paid by a disabled person. If the total of the single life annuity actuarial equivalent disability benefit and the workers' compensation benefit exceeds: (1) the salary the disabled member received as of the date of the disability or (2) the salary currently payable for the same employment position or an employment position substantially similar to the one the person held as of the date of the disability, whichever is greater, the disability benefit must be reduced to that amount which, when added to the workers' compensation benefits, does not exceed the greater of the salaries described in clauses (1) and (2).

Sec. 15. Minnesota Statutes 1988, section 353.33, subdivision 6, is amended to read:

Subd. 6. [CONTINUING ELIGIBILITY FOR BENEFITS.] The eligibility for continuation of disability benefits shall be determined by the association, which has authority to require periodic examinations and evaluations of disabled members as frequently as deemed necessary. Disability benefits are contingent upon a disabled person's participation in a vocational rehabilitation program if the executive director determines that the disabled person may be able to return to a gainful occupation. If a member is found to be no longer totally and permanently disabled and is reinstated to the payroll, payments shall be made for no more than 60 days.

Sec. 16. Minnesota Statutes 1988, section 353.33, subdivision 7, is amended to read:

Subd. 7. [PARTIAL REEMPLOYMENT.] If, following a work or

nonwork-related injury or illness, a disabled person resumes a gainful occupation from which earnings are less than the salary at the date of disability or the salary currently paid for similar positions, the board shall continue the disability benefit in an amount that, when added to the earnings and workers' compensation benefit, does not exceed the salary at the date of disability or the salary currently paid for similar positions, whichever is higher, provided the disability benefit does not exceed the disability benefit originally allowed, plus any postretirement adjustments payable after December 31, 1988, in accordance with section 11A.18, subdivision 10. No deductions for the retirement fund may be taken from the salary of a disabled person who is receiving a disability benefit as provided in this subdivision.

Sec. 17. Minnesota Statutes 1988, section 353.34, subdivision 1, is amended to read:

Subdivision 1. [REFUND OR DEFERRED ANNUITY.] Any member who ceases to be a public employee by reason of termination of public service, or who is on a continuous layoff for more than 120 calendar days, shall be entitled to a refund of accumulated deductions as provided in subdivision 2, or to a deferred annuity as provided in subdivision 3. An active member of a fund enumerated in section 356.30, subdivision 3, clause (7), (8), or (14), who terminates public service in any of those funds and becomes a member of another fund enumerated in those clauses may receive a refund of employee contributions plus five percent interest compounded annually from the fund in which the member terminated service. Application for a refund may not be made prior to date of termination of public service, or the expiration of 120 days of layoff, and a refund shall be paid within 120 days following receipt of application, provided applicant has not again become a public employee required to be covered by the association.

Sec. 18. Minnesota Statutes 1988, section 353.35, is amended to read:

353.35 [CONSEQUENCES OF REFUND; REPAYMENT, RIGHTS RESTORED.]

When any former member accepts a refund, all existing service credits and all rights and benefits to which the person was entitled prior to the acceptance of ~~such~~ the refund shall terminate and shall not again be restored until the person acquires not less than 18 months allowable service credit ~~subsequent to~~ after taking the last refund and repays all refunds taken and interest received under section 353.34, subdivisions 1 and 2, plus interest at six percent per annum compounded annually. If more than one refund has been taken, ~~all refunds must be repaid by the person may repay all refunds or only the refund for the fund in which the person had most recently been a member,~~ only the refund for the fund in which the person had most recently been a member, with interest at six percent per annum

compounded annually. All refunds must be repaid within three months of the last date of termination of public service.

Sec. 19. Minnesota Statutes 1988, section 353.64, subdivision 1, is amended to read:

Subdivision 1. [POLICE AND FIRE FUND MEMBERSHIP.] Any person who prior to July 1, 1961, was a member of the police and fire fund, by virtue of being a police officer or firefighter, shall as long as the person remains in either position, be deemed to continue membership in the fund. Any person who was employed by a governmental subdivision as a police officer and was a member of the police and fire fund on July 1, 1978, by virtue of being a police officer as defined by this section on that date shall be entitled, if employed by the same governmental subdivision in a position in the same department in which the person was employed on that date, to continue membership in the fund whether or not that person has the power of arrest by warrant after that date. Any person who was employed by a governmental subdivision as a police officer or a firefighter, whichever applies, was an active member of the local police or salaried firefighters relief association located in that governmental subdivision by virtue of that employment as of the effective date of the consolidation as authorized by sections 353A.01 to 353A.10, and has elected coverage by the public employees police and fire fund benefit plan, shall be considered to be a member of the police and fire fund after that date if employed by the same governmental subdivision in a position in the same department in which the person was employed on that date. Any other employee serving on a full-time basis as a police officer or firefighter on or after July 1, 1961, shall become a member of the public employees police and fire fund. Any employee serving on less than a full-time basis as a police officer shall become a member of the public employees police and fire fund only after a resolution stating that the employee should be covered by the police and fire fund is adopted by the governing body of the governmental subdivision employing the person declaring that the position which the person holds is that of a police officer. Any employee serving on less than a full-time basis as a firefighter, ~~other than a volunteer firefighter,~~ shall become a member of the public employees police and fire fund only after a resolution stating that the employee should be covered by the police and fire fund is adopted by the governing body of the governmental subdivision employing the person declaring that the position which the person holds is that of a firefighter. Any police officer or firefighter, ~~other than a volunteer firefighter,~~ employed by a governmental subdivision who by virtue of that employment is required by law to be a member of and to contribute to any police or firefighter relief association governed by section 69.77 which has not consolidated with the public employees police and fire fund and any police officer or firefighter of a relief association that has consolidated with the association for which the employee has not elected coverage by the public employees police and fire fund benefit plan as

provided in sections 353A.01 to 353A.10 ~~other than a volunteer firefighters relief association to which sections 69.771 to 69.776 apply~~ shall not be a member of this fund.

Sec. 20. Minnesota Statutes 1988, section 353.64, subdivision 2, is amended to read:

Subd. 2. Before a governing body may declare a position to be that of a police officer, the duties of the person so employed shall must, as a minimum, include services employment as an officer of a designated police department or sheriff's office or person in charge of a designated police department or sheriff's office whose primary job it is to enforce the law, who is licensed by the Minnesota board of peace officer standards and training under sections 626.84 to 626.855, who is engaged in the hazards of protecting the safety and property of others, and who has the power to arrest by warrant. A police officer who is periodically assigned to employment duties not within the scope of this subdivision may contribute to the public employees police and fire fund for all service, if a resolution declaring that the primary position held by the person is that of a police officer, is adopted by the governing body of the department, and is promptly submitted to the executive director.

Sec. 21. Minnesota Statutes 1988, section 353.64, subdivision 3, is amended to read:

Subd. 3. Before a governing body may declare a position to be that of a firefighter, the duties of the person so employed shall must, as a minimum, include services as an employee of a designated fire company or person in charge of a designated fire company or companies who is engaged in the hazards of fire fighting. A firefighter who is periodically assigned to employment duties outside the scope of firefighting may contribute to the public employees police and fire fund for all service, if a resolution declaring that the primary position held by the person is that of a firefighter, is adopted by the governing body of the company or companies, and is promptly submitted to the executive director.

Sec. 22. Minnesota Statutes 1988, section 353.656, subdivision 4, is amended to read:

Subd. 4. No member shall receive any disability benefit payment when there remains to the member's credit unused annual leave or sick leave or under any other circumstances, when, during the period of disability, there has been no impairment of salary ~~and~~. Should such the member resume a gainful occupation with earnings less than the salary earned at the date of disability or the salary currently paid for similar positions, the association shall continue the disability benefit in an amount which when added to such workers' compensation benefits and actual earnings does not exceed the salary earned at the date of disability or the salary currently

paid for similar positions, whichever is higher, provided. In no event may the disability benefit in such case does not exceed the disability benefit originally allowed. In the event that the total amount is higher, the executive director shall reduce the disability benefit by the amount of the excess.

Sec. 23. [353.86] [VOLUNTEER AMBULANCE SERVICE PERSONNEL; PARTICIPATION; ELECTION; LIMITATION; AND COMPENSATION.]

Subdivision 1. [PARTICIPATION.] Volunteer ambulance service personnel, as defined in section 353.01, subdivision 35, who are or become members of and participants in the public employees retirement fund or the public employees police and fire fund and make contributions to either of those funds based on compensation for service other than volunteer ambulance service may elect to participate in that same fund with respect to compensation received for volunteer ambulance service, provided that the volunteer ambulance service is not credited to another public or private pension plan including the public employees retirement plan established by chapter 353D and provided further that the volunteer ambulance service is rendered for the same governmental unit for which the nonvolunteer ambulance service is rendered.

Subd. 2. [ELECTION.] Volunteer ambulance service personnel to whom subdivision 1 applies may exercise the election authorized under subdivision 1 within the earlier of the one-year period beginning on July 1, 1989, and extending through June 30, 1990, or the one-year period commencing on the first day of the first month following the start of employment in a position covered by the public employees retirement fund or the public employees police and fire fund. The election must be exercised by filing a written notice on a form prescribed by the executive director of the association.

Subd. 3. [LIMITATION.] Volunteer ambulance service personnel to whom subdivision 1 applies who exercise their option in accordance with subdivision 2 and their governmental employers are not required to pay omitted deductions and contributions under section 353.27, subdivision 12, for volunteer ambulance service rendered before July 1, 1989.

Subd. 4. [COMPENSATION.] Notwithstanding section 353.01, subdivision 10, compensation received for service rendered by volunteer ambulance service personnel to whom subdivision 1 applies who exercise their option in accordance with subdivision 2 shall be considered salary.

Sec. 24. [353.87] [VOLUNTEER FIREFIGHTERS; PARTICIPATION; LIMITATION; AND REFUND.]

Subdivision 1. [PARTICIPATION.] Except as provided in subdivi-

sion 2, a volunteer firefighter, as defined in section 353.01, subdivision 36, who, on June 30, 1989, was a member of, and a participant in, the public employees retirement fund or the public employees police and fire fund and was making contributions to either of those funds based, at least in part, on compensation for services performed as a volunteer firefighter shall continue as a member of, and a participant in, the public employees retirement fund or the public employees police and fire fund and compensation for services performed as a volunteer firefighter shall be considered salary.

Subd. 2. [OPTION.] A volunteer firefighter to whom subdivision 1 applies has the option to terminate membership and future participation in the public employees retirement fund or the public employees police and fire fund upon filing of a written notice of intention to terminate participation. Notice must be given on a form prescribed by the executive director of the association and must be filed in the offices of the association not later than June 30, 1990.

Subd. 3. [LIMITATION.] No volunteer firefighter to whom subdivision 1 applies or the governmental employer of the volunteer firefighter is required to make back contributions to the public employees retirement association for volunteer firefighter services rendered before July 1, 1989, notwithstanding the provisions of section 353.27, subdivision 12.

Subd. 4. [REFUND.] Upon timely filing of a valid notice of termination of participation in accordance with subdivision 2, a volunteer firefighter to whom subdivision 1 applies must be given a refund of all past employee contributions made on account of volunteer firefighter service with five percent interest compounded annually.

Subd. 5. [FURTHER OPTION.] A volunteer firefighter, as defined in section 353.01, subdivision 36, who is or becomes a member of, and a participant in, the public employees retirement fund or the public employees police and fire fund and makes contributions to either of those funds based on compensation for services other than services as a volunteer firefighter shall have the option of making contributions to the same fund for service performed as a volunteer firefighter with compensation received for those volunteer firefighter services considered salary, provided that the volunteer firefighter is not a participant in, or covered under, a local volunteer firefighter plan and notwithstanding the fact that the volunteer firefighter service is performed for one governmental unit and the nonvolunteer firefighter service is performed for another governmental unit.

Sec. 25. Laws 1985, chapter 11, section 12, subdivision 3, is amended to read:

Subdivision 3. [ELECTION PROCEDURES.] The board shall

accept filings for one elected position on the board in November 1985 and shall conduct an election for that position in January 1986. The board shall accept filings for two elected positions on the board in November 1986 and shall conduct an election for those positions in January 1987. Notwithstanding the four-year term of office specified in Minnesota Statutes, section 353.03, subdivision 1, the term of office for the January 1986 elected position extends through January 1991, so that all three elected positions are four-year terms which begin and end at the same time. Thereafter, the board shall follow the election procedures described in Minnesota Statutes, section 353.03, subdivision 1, as necessary to fill the positions of elected trustees.

Sec. 26. [REPEALER.]

Minnesota Statutes 1988, sections 353.01, subdivision 2c; 353.661; and 353.662, are repealed.

Sec. 27. [EFFECTIVE DATE.]

(a) Sections 1 to 26 are effective July 1, 1989.

(b) The past due excess police state aid interest charge provided for in section 8 is retroactive to July 1, 1989.

ARTICLE 4

PURCHASE OF PRIOR SERVICE CREDIT

Section 1. [PURCHASE OF CREDIT FOR CERTAIN PRIOR SERVICE.]

Subdivision 1. [HIGHLAND GOLF COURSE EMPLOYEE.] A person who was born on October 1, 1925, who was a member of the public employees retirement association as of December 1, 1988, who is a seasonal employee of the city of St. Paul at the Highland golf course, and who was employed in that capacity between June 25, 1979, and July 31, 1984, is entitled to purchase allowable service credit from the public employees retirement association for that period of service if not otherwise credited as allowable service by the public employees retirement association.

Subd. 2. [RAMSEY COUNTY COURT COMMISSIONER.] A member of the public employees retirement association with prior service as an elected court commissioner in Ramsey county between January 1, 1963, and December 31, 1974, may purchase allowable service credit in the association for that period of service.

Subd. 3. [HENNEPIN COUNTY EMPLOYEE.] Notwithstanding the limitations in Minnesota Statutes, section 353.36, subdivision 2,

a person whose employment with Hennepin county began in July 1973, but for whom no salary deductions were taken out for the public employees retirement association between October 1973 and July 1976, may purchase credit for the prior public service for which salary deductions were omitted.

Subd. 4. [DAKOTA COUNTY RECORDER.] A member of the public employees retirement association with prior service as an elected county recorder in Dakota county between January 1, 1983, and December 31, 1987, may purchase allowable service credit in the association for that period of service.

Subd. 5. [BLOOMINGTON CITY EMPLOYEE.] A person who was born on May 11, 1927, whose employment by the city of Bloomington began in March 1960 and continued during the years 1960 and 1961, and for whom no salary deductions were taken for the public employees retirement association may purchase credit for that service from the public employees retirement association.

Subd. 6. [PURCHASE OF PRIOR SERVICE CREDIT FOR CERTAIN MINNEAPOLIS EMPLOYEES.] Notwithstanding any law to the contrary, a person who was born on March 3, 1949, who was employed by the city of Minneapolis as an urban corps intern in August, 1976, who was employed in the unclassified service of the city of Minneapolis as an assistant to an alderman with substantially the same duties as performed during the internship on August 25, 1978, and who is currently employed in that position and is a member of the Minneapolis employees retirement fund may purchase credit in that retirement fund for service during that internship. Eligibility to make the purchase of prior service credit expires on June 30, 1989.

Subd. 7. [CITY OF CRYSTAL COUNCIL MEMBER.] A person who was born on April 20, 1928, who was a member of the public employees retirement association with prior service as an elected official on the city of Crystal's planning commission and city council, may purchase credit for the prior service for which salary deductions were omitted.

Subd. 8. [CITY OF SPRING LAKE PARK COUNCIL MEMBER.] A person who was born on April 5, 1934, or April 1, 1932, may purchase credit for prior service from the public employees retirement association for the period when the person served on the city council of the city of Spring Lake Park during which no salary deductions were taken.

Subd. 9. [PURCHASE PAYMENT AMOUNT.] For a person eligible to purchase credit for prior service under subdivisions 1 to 8, there must be paid to the applicable fund an amount equal to the present value, on the date of payment, of the amount of the additional retirement annuity that would be obtained by virtue of

the purchase of the additional service credit, using the preretirement interest rate specified in Minnesota Statutes, section 356.215, subdivision 4d, and the mortality table adopted for the fund and assuming continuous future service in the fund or association until, and retirement at, the age at which the minimum requirements of the retirement association for normal retirement or retirement with an annuity unreduced for retirement at an early age, including Minnesota Statutes, section 356.30, are met with the additional service credit purchased, and also assuming a future salary history that includes annual salary increases at the salary increase rate specified in Minnesota Statutes, section 356.215, subdivision 4d. The person requesting the purchase of prior service shall establish in the records of the fund or association proof of the service for which the purchase of prior service is requested. The manner of the proof of service must be in accordance with procedures prescribed by the executive director of the fund or association.

Subd. 10. [PAYMENT; CREDITING SERVICE.] Payment must be made in one lump sum, unless the executive director of the fund or association agrees to accept payment in installments over a period not to exceed three years from the date of the agreement, with interest at a rate deemed appropriate by the executive director. The period of allowable service may be credited to the account of the person only after receipt of full payment by the executive director.

Subd. 11. [OPTIONAL EMPLOYER PARTIAL PAYMENT.] Payment must be made by the person entitled to purchase prior service. However, the current or former employer of a person specified in subdivisions 1 to 8, may, at its discretion, pay all or any portion of the payment amount that exceeds an amount equal to the employee contribution rates in effect during the period or periods of prior service applied to the actual salary rates in effect during the period or periods of prior service, plus interest at the rate of six percent a year compounded annually from the date on which the contributions would otherwise have been made to the date on which the payment is made.

Sec. 2. Laws 1988, chapter 709, article 3, section 1, subdivision 4, is amended to read:

Subd. 4. [OPTIONAL EMPLOYER PARTIAL PAYMENT.] Payment must be made by the person entitled to purchase prior service. However, the current or former employer of a person specified in subdivision 1, clause (1), (2), (4), (5), (6), or (7) may, at its discretion, and the metropolitan sports facilities commission for a person specified in subdivision 1, clause (3), shall pay all or any portion of the payment amount that exceeds an amount equal to the employee contribution rates in effect for the retirement fund during the period or periods of prior service applied to the actual salary rates in effect during the period or periods of prior service, plus interest at the rate of six percent a year compounded annually from the date on which

the contributions would otherwise have been made to the date on which the payment is made.

Sec. 3. [PURCHASE AMOUNT.]

Notwithstanding Laws 1988, chapter 709, article 3, section 1, subdivision 2, the amounts required to purchase credit for prior service under Laws 1988, chapter 709, article 3, section 1, subdivision 1, clause (3), must be calculated assuming the affected employees will retire at age 65. Notwithstanding any contrary provision in Minnesota Statutes, section 352.116, if an employee who purchases service under Laws 1988, chapter 709, article 3, section 1, subdivision 1, clause (3) retires before age 65, the annuity must be reduced so that the reduced annuity is the actuarial equivalent of the annuity that would be payable if the employee deferred receipt from the day the annuity begins to accrue to age 65.

Sec. 4. [EFFECTIVE DATE.]

Sections 1 to 3 are effective the day following final enactment. Section 2 applies retroactively to May 4, 1988.

ARTICLE 5

OTHER RETIREMENT ISSUES

Section 1. Minnesota Statutes 1988, section 353.01, subdivision 2b, is amended to read:

Subd. 2b. [EXCLUDED EMPLOYEES.] (a) The following persons are excluded from the meaning of "public employee":

(1) persons employed for professional services where the service is incidental to regular professional duties, determined on the basis that compensation for the service amounts to no more than 25 percent of the person's total annual gross earnings for all professional duties;

(2) election officers;

(3) independent contractors and their employees;

(4) patient and inmate help in governmental subdivision charitable, penal, and correctional institutions;

(5) members of boards, commissions, bands, and others who serve the governmental subdivision intermittently;

(6) employees whose employment is not expected to continue for a period longer than six consecutive months;

(7) part-time employees who receive monthly compensation from a governmental subdivision not exceeding \$425, and part-time employees and elected officials whose annual compensation from a governmental subdivision is stipulated in advance, in writing, to be not more than \$5,100 per calendar year or per school year for school employees for employment expected to be of a full year's duration or more than the prorated portion of \$5,100 per employment period for employment expected to be of less than a full year's duration, except that members continue their membership until termination of public service;

(8) persons who first occupy an elected office after July 1, 1988, the compensation for which does not exceed \$425 per month;

(9) emergency employees who are employed by reason of work caused by fire, flood, storm, or similar disaster;

(10) employees who by virtue of their employment as an officer or employee of a governmental subdivision are required by law to be a member of and to contribute to any of the plans or funds administered by the state employees retirement system, the teachers retirement fund, the state patrol retirement fund, the Duluth teachers retirement fund association, the Minneapolis teachers retirement fund association, the St. Paul teachers retirement fund association, the Minneapolis employees retirement fund, the Minnesota state retirement system correctional officers retirement plan, or any police or firefighters relief association governed by section 69.77 that has not consolidated with the public employees police and fire fund and for which the employee has not elected coverage by the public employees police and fire fund benefit plan as provided in sections 353A.01 to 353A.10, other than as an act of the legislature has specifically enabled participation by employees of a designated governmental subdivision in a plan supplemental to the public employees retirement association;

(11) police matrons employed in a police department of a city who are transferred to the jurisdiction of a joint city and county detention and corrections authority;

(12) persons who are excluded from coverage under the federal old age, survivors, disability, and health insurance program for the performance of service as specified in United States Code, title 42, section 410(a) (8) (A), as amended through January 1, 1987;

(13) full-time students who are enrolled and are regularly attending classes at an accredited school, college, or university and who are not employed full time by a governmental subdivision;

(14) resident physicians, medical interns, and pharmacist interns who are serving in public hospitals;

(15) appointed or elected officers, paid entirely on a fee basis, who were not members on June 30, 1971;

(16) persons holding a part-time adult supplementary technical institute license who render part-time teaching service in a technical institute if the service is incidental to the person's regular nonteaching occupation, the applicable technical institute stipulates annually in advance that the part-time teaching service will not exceed 300 hours in a fiscal year, and the part-time teaching service actually does not exceed 300 hours in a fiscal year; and

(17) persons exempt from licensure under section 125.031; and

(18) persons employed by the Minneapolis community development agency.

(b) Immediately following the expiration of a six-month period of employment by an employee covered by paragraph (a), clause (6), if the employee continues in public service and earns more than \$425 from a governmental subdivision in any one calendar month, the department head shall report the employee for membership and cause employee contributions to be made on behalf of the employee in accordance with section 353.27, subdivision 4, and the employee remains a member until termination of public service. This paragraph may not be construed to exclude an employee from membership whose employment is expected to continue for more than six months but who is serving a probationary period.

(c) If compensation from a governmental subdivision to an employee covered by paragraph (a), clause (7), exceeds \$5,100 per calendar year or school year after being stipulated in advance, the stipulation is no longer valid and contributions must be made on behalf of the employee in accordance with section 353.27, subdivision 12, from the month in which the employee first exceeded \$425.

(d) Paragraph (a), clause (10), does not prevent a person from being a member of and contributing to the public employees retirement association and also belonging to or contributing to another public pension fund for other service occurring during the same period of time. A person who meets the definition of "public employee" in subdivision 2, by virtue of other service occurring during the same period of time shall become a member of the association unless contributions are made to another public retirement fund on the salary based on the other service or to the teachers retirement association in accordance with section 354.05, subdivision 2.

Sec. 2. Minnesota Statutes 1988, section 355.90, subdivision 3, is amended to read:

Subd. 3. [REFERENDUM.] A referendum on the question of extending the provisions of United States Code, title 42, sections 426, 426-1, and 1395c, must be held for each public employee pension plan listed in section 356.30, subdivision 3, except clauses (5) and (6), that has current members or participants who do not have coverage by the federal old age, survivors, and disability insurance program for the employment giving rise to that pension plan membership. The state agency shall supervise the referendum in accordance with United States Code, title 42, section 418, on the date or dates set by the governor for each pension plan. The notice of the referendum provided to each employee must contain a statement sufficient to inform the person of the rights available to the person as an employee in Medicare qualified government employment and the employee contribution rates applicable to the program. The referendum is approved if a majority of the members or participants indicate their desire to have the coverage on a form prescribed by the state agency. If the referendum is approved, The referendum must permit each employee the opportunity to select or reject Medicare coverage. The governor shall certify that fact to the Secretary of Health and Human Services, and the that the conditions specified in United States Code, title 42, section 418(d)(7) have been met. Coverage is effective for all members or participants of the plan who select it on the first of the month after the certification unless the participant or member elects coverage effective retroactively to April 1, 1986.

Sec. 3. Minnesota Statutes 1988, section 355.90, subdivision 4, is amended to read:

Subd. 4. [EMPLOYEE AND EMPLOYER CONTRIBUTIONS.] (a) If the referendum is approved, Beginning on the first of the month after the certification of approval by the governor, the employer of each member or participant covered by selecting coverage under the referendum shall deduct from the wages of the employee an amount equal to the tax that would be imposed under United States Code, title 26, section 3101(b), if the services of the employee for which wages were paid constituted employment as defined in United States Code, title 26, section 3121.

(b) In addition to the deduction specified in paragraph (a), the employer of each member or participant covered by the referendum shall also pay an amount equal to the tax that would be imposed under United States Code, title 26, section 3111(b), on the same wage base specified in paragraph (a).

(c) The amounts under paragraphs (a) and (b) shall be paid by the employer to the Secretary of the Treasury in the manner required by the secretary.

Sec. 4. Minnesota Statutes 1988, section 356.30, subdivision 3, is amended to read:

Subd. 3. [COVERED FUNDS.] ~~The provisions of This section shall apply~~ applies to the following retirement funds:

- (1) state employees retirement fund established pursuant to chapter 352;
- (2) correctional employees retirement program, established pursuant to chapter 352;
- (3) unclassified employees retirement plan, established pursuant to chapter 352D;
- (4) state patrol retirement fund, established pursuant to chapter 352B;
- (5) legislators' retirement plan, established pursuant to chapter 3A;
- (6) elective state officers' retirement plan, established pursuant to chapter 352C;
- (7) public employees retirement association, established pursuant to chapter 353;
- (8) public employees police and fire fund, established pursuant to chapter 353;
- (9) teachers retirement fund, established pursuant to chapter 354;
- (10) Minneapolis employees retirement fund, established pursuant to chapter 422A;
- (11) Minneapolis teachers retirement fund association, established pursuant to chapter 354A;
- (12) St. Paul teachers retirement fund association, established pursuant to chapter 354A;
- (13) Duluth teachers retirement fund association, established pursuant to chapter 354A;
- (14) public employees local government correctional service retirement plan established by sections 353C.01 to 353C.10; and
- (15) judges' retirement fund, established by sections 490.121 to 490.132.

Sec. 5. Minnesota Statutes 1988, section 356.302, subdivision 7, is amended to read:

Subd. 7. [COVERED RETIREMENT PLANS.] This section applies to the following retirement plans:

- (1) state employees retirement fund, established by chapter 352;
- (2) unclassified employees retirement plan, established by chapter 352D;
- (3) public employees retirement association, established by chapter 353;
- (4) teachers retirement fund, established by chapter 354;
- (5) Duluth teachers retirement fund association, established by chapter 354A;
- (6) Minneapolis teachers retirement fund association, established by chapter 354A;
- (7) St. Paul teachers retirement fund association, established by chapter 354A;
- (8) Minneapolis employees retirement fund, established by chapter 422A;
- (9) correctional employees retirement plan, established by chapter 352;
- (10) state patrol retirement fund, established by chapter 352B; and
- (11) public employees police and fire fund, established by chapter 353; and
- (12) judges' retirement fund, established by sections 490.121 to 490.132.

Sec. 6. Minnesota Statutes 1988, section 356.303, subdivision 4, is amended to read:

Subd. 4. [COVERED RETIREMENT PLANS.] This section applies to the following retirement plans:

- (1) legislators retirement plan, established by chapter 3A;
- (2) state employees retirement fund, established by chapter 352;

- (3) correctional employees retirement plan, established by chapter 352;
- (4) state patrol retirement fund, established by chapter 352B;
- (5) elective state officers retirement plan, established by chapter 352C;
- (6) unclassified employees retirement plan, established by chapter 352D;
- (7) public employees retirement association, established by chapter 353;
- (8) public employees police and fire fund, established by chapter 353;
- (9) teachers retirement fund, established by chapter 354;
- (10) Duluth teachers retirement fund association, established by chapter 354A;
- (11) Minneapolis teachers retirement fund association, established by chapter 354A;
- (12) St. Paul teachers retirement fund association, established by chapter 354A; and
- (13) Minneapolis employees retirement fund, established by chapter 422A; and
- (14) judges' retirement fund, established by sections 490.121 to 490.132.

Sec. 7. Minnesota Statutes 1988, section 490.124, subdivision 12, is amended to read:

Subd. 12. [REFUND.] (a) Any person who ceases to be a judge but who does not qualify for a retirement annuity or other benefit under section 490.121 shall be entitled to a refund in an amount equal to all the person's contributions to the judges' retirement fund plus interest computed to the first day of the month in which the refund is processed based on fiscal year balances at the rate of five percent per annum compounded annually.

(b) A refund of contributions under paragraph (a) terminates all service credits and all rights and benefits of the judge and the judge's survivors. A person who becomes a judge again after taking a refund under paragraph (a) may reinstate previously terminated service credits, rights, and benefits by repaying all refunds. A

repayment must include interest at six percent per annum, compounded annually.

Sec. 8. Laws 1980, chapter 595, section 2, subdivision 4, is amended to read:

Subd. 4. All employees of the agency shall be considered employees of the housing and redevelopment authority and not the city of Minneapolis for the purposes of exclusion from membership in the public employee retirement association. An employee of the agency or the Minneapolis housing and redevelopment authority who is transferred to employment of the department or agency or the Minneapolis industrial development commission or the city of Minneapolis shall elect one of the following options with respect to retirement programs within six months after the date of transfer:

(a) The employee may continue as a member of the retirement program established by the Minneapolis housing and redevelopment authority and in effect on the date of transfer, and the agency or department or the city of Minneapolis shall make the necessary employer contributions to the program instead of becoming a member of the public employees retirement association.

(b) The employee may become a member of the public employees retirement association.

An employee of the city of Minneapolis who is transferred to employment of the agency or the Minneapolis housing and redevelopment authority shall remain a member of the retirement fund to which the employee belonged prior to the transfer, during the employment. An employee of the city of Minneapolis who is a member of the Minneapolis municipal employees retirement fund who is transferred to employment of the agency shall remain a member of the fund during the employment.

Sec. 9. [REFUND OF EXCESS EMPLOYEE CONTRIBUTIONS.]

A former employee of the bureau of health of the city of Saint Paul who, under Laws 1973, chapter 767, section 4, elected to retire with benefits calculated in accordance with Minnesota Statutes, chapter 425, as modified by Laws 1969, chapter 1102, may, upon application to the executive director of the public employees retirement association or a form prescribed by the executive director, receive a refund of excess employee contributions to the bureau of health pension fund. The amount to be refunded is the difference between the amount actually deducted from the employee's monthly pay from the effective date of Laws 1969, chapter 1102, to the effective date of Laws 1973, chapter 767, and an amount equal to six percent of the monthly salary of a health sanitarian in the employment of the city of Saint Paul on January 1, 1969, plus interest at the rate of six

percent a year compounded annually. The refund is payable from the public employees retirement fund.

Sec. 10. [PAYMENT OF REFUNDS BY ASSOCIATION.]

The executive director of the public employees retirement association shall notify each former employee of the bureau of health of the city of Saint Paul covered by section 1 who is receiving a retirement annuity from the public employees retirement association of the person's right to apply for a refund of excess contributions under that section. Application must be made within 60 days following notice, or eligibility for the refund expires. Upon receipt of an application for a refund from a person, the executive director of the association shall pay to the person a refund calculated in accordance with section 1.

Sec. 11. [EFFECTIVE DATE.]

Sections 1 and 8 are effective upon approval by the city council of the city of Minneapolis and upon compliance with Minnesota Statutes, section 645.021, subdivision 3, and apply retroactively to July 13, 1980. Sections 2 to 7 are effective the day following final enactment. Sections 4, 5, and 6 apply retroactively to August 1, 1987. Sections 9 and 10 are effective July 1, 1989.

ARTICLE 6

PUBLIC EMPLOYEES INSURANCE

Section 1. Minnesota Statutes 1988, section 43A.316, subdivision 9, is amended to read:

Subd. 9. [INSURANCE TRUST FUND.] An insurance trust fund is established in the state treasury. The deposits consist of the premiums received from employers participating in the plan and transfers from the public employees insurance reserve holding account established by section 353.65, subdivision 7. All money in the fund is appropriated to the commissioner to pay insurance premiums, approved claims, refunds, administrative costs, and other related service costs. The commissioner shall reserve an amount of money to cover the estimated costs of claims incurred but unpaid. The state board of investment shall invest the money according to section 11A.24. Investment income and losses attributable to the fund shall be credited to the fund.

Sec. 2. Minnesota Statutes 1988, section 69.031, subdivision 5, is amended to read:

Subd. 5. [DEPOSIT OF STATE AID.] (1) The municipal treasurer, on receiving the fire state aid, shall within 30 days after receipt

transmit it to the treasurer of the duly incorporated firefighters' relief association if there is one organized and the association has filed a financial report with the municipality; but if there is no relief association organized, or if any association dissolve, be removed, or has heretofore dissolved, or has been removed as trustees of state aid, then the treasurer of the municipality shall keep the money in the municipal treasury as provided for in section 424A.08 and shall be disbursed only for the purposes and in the manner set forth in that section.

(2) The municipal treasurer, upon receipt of the police state aid, shall disburse the police state aid in the following manner:

(a) For a municipality in which a local police relief association exists and all peace officers are members of the association, the total state aid shall be transmitted to the treasurer of the relief association within 30 days of the date of receipt, and the treasurer of the relief association shall immediately deposit the total state aid in the special fund of the relief association;

(b) For a municipality in which police retirement coverage is provided by the public employees police and fire fund and all peace officers are members of the fund, the total state aid shall be applied toward the municipality's employer contribution to the public employees police and fire fund pursuant to section 353.65, subdivision 3, and any state aid in excess of the amount required to meet the employer's contribution pursuant to section 353.65, subdivision 3, shall also be contributed to the public employees police and fire fund and credited in the manner to be specified by the board of trustees of the public employees retirement association deposited in the public employees insurance reserve holding account of the public employees retirement association; or

(c) For a municipality in which both a police relief association exists and police retirement coverage is provided in part by the public employees police and fire fund, the municipality may elect at its option to transmit the total state aid to the treasurer of the relief association as provided in clause (a), to use the total state aid to apply toward the municipality's employer contribution to the public employees police and fire fund subject to all the provisions set forth in clause (b), or to allot the total state aid proportionately to be transmitted to the police relief association as provided in this subdivision and to apply toward the municipality's employer contribution to the public employees police and fire fund subject to the provisions of clause (b) on the basis of the respective number of active full-time peace officers, as defined in section 69.011, subdivision 1, clause (g).

(3) The county treasurer, upon receipt of the police state aid for the county, shall apply the total state aid toward the county's employer contribution to the public employees police and fire fund pursuant to

section 353.65, subdivision 3, and any state aid in excess of the amount required to meet the employer's contribution pursuant to section 353.65, subdivision 3, shall also be contributed to the public employees police and fire fund and credited in the manner to be specified by the board of trustees of the public employees retirement association deposited in the public employees insurance reserve holding account of the public employees retirement association.

Sec. 3. Minnesota Statutes 1988, section 353.65, subdivision 1, is amended to read:

Subdivision 1. There is a special fund known as the "public employees police and fire fund." In that fund there shall be deposited employee contributions, employer contributions other than the excess contribution established by section 69.031, subdivision 5, paragraph (2), clauses (b) and (c), and paragraph (3), and other amounts authorized by law including all employee and employer contributions of members transferred. Within the public employees police and fire fund are accounts for each municipality known as the "local relief association consolidation accounts," which are governed by section 353A.09.

Sec. 4. Minnesota Statutes 1988, section 353.65, subdivision 6, is amended to read:

Subd. 6. All contributions other than the excess contribution established by section 69.031, subdivision 5, paragraph (2), clauses (b) and (c), and paragraph (3) shall be credited to the fund and all interest and other income of the fund shall be credited to said fund. The retirement fund shall be disbursed only for the purposes herein provided. The expenses of said fund and the annuities herein provided upon retirement shall be paid from said fund.

Sec. 5. Minnesota Statutes 1988, section 353.65, is amended by adding a subdivision to read:

Subd. 7. The public employees insurance reserve holding account is established in the public employees retirement association. Excess contributions established by section 69.031, subdivision 5, paragraph (2), clauses (b) and (c), and paragraph (3) must be deposited in the account. These contributions and all investment earnings associated with them must be regularly transferred to the insurance trust fund established by section 43A.316, subdivision 9.

ARTICLE 7

MINNESOTA PUBLIC PENSION PLAN FIDUCIARY RESPONSIBILITY AND LIABILITY ACT

Section 1. [356A.01] [DEFINITIONS.]

Subdivision 1. [SCOPE.] For purposes of this chapter, the following terms have the meanings given them in this section.

Subd. 2. [BENEFIT.] "Benefit" means an amount, other than an administrative expense, paid or payable from a pension plan, including a retirement annuity, service pension, disability benefit, survivor benefit, death benefit, funeral benefit, or refund.

Subd. 3. [BENEFIT PROVISIONS.] "Benefit provisions" means the portion of a pension plan that deals specifically with the benefit coverage provided by the plan, including the kinds of coverage, the eligibility for and entitlement to benefits, and the amount of benefits.

Subd. 4. [BENEFIT RECIPIENT.] "Benefit recipient" means a person who has received a benefit from a pension plan or to whom a benefit is payable under the terms of the plan document of the pension plan.

Subd. 5. [CHIEF ADMINISTRATIVE OFFICER.] "Chief administrative officer" means the person who has primary responsibility for the execution of the administrative or management affairs of a pension plan.

Subd. 6. [COFIDUCIARY.] "Cofiduciary" means a fiduciary of a pension plan, other than a fiduciary directly undertaking a fiduciary activity or directly and primarily responsible for a fiduciary activity.

Subd. 7. [COVERED GOVERNMENTAL ENTITY.] "Covered governmental entity" means a governmental subdivision or other governmental entity that employs persons who are plan participants in a covered pension plan and who are eligible for that participation because of their employment.

Subd. 8. [COVERED PENSION PLAN.] "Covered pension plan" means a pension plan or fund listed in section 356.20, subdivision 2, or 356.30, subdivision 3.

Subd. 9. [COVERED PENSION PLAN OTHER THAN A STATE-WIDE PLAN.] "Covered pension plan other than a statewide plan" means a pension plan not included in the definition of a statewide plan in subdivision 24.

Subd. 10. [DIRECT OR INDIRECT PROFIT.] "Direct or indirect profit" means a payment of money, the provision of a service or an item of other than nominal value, an extension of credit, a loan, or any other special consideration to a fiduciary or a direct relative of a fiduciary on behalf of the fiduciary in consideration for the

performance of a fiduciary activity or a failure to perform a fiduciary activity.

Subd. 11. [DIRECT RELATIVE.] “Direct relative” means any of the persons or spouses of persons related to one another within the third degree of kindred under civil law.

Subd. 12. [FIDUCIARY.] “Fiduciary” means a person identified in section 356A.02.

Subd. 13. [FIDUCIARY ACTIVITY.] “Fiduciary activity” means an activity described in section 356A.02, subdivision 2.

Subd. 14. [FINANCIAL INSTITUTION.] “Financial institution” means a bank, savings institution, or credit union organized under federal or state law.

Subd. 15. [GOVERNING BOARD OF A PENSION PLAN.] “Governing board of a pension plan” means the body of a pension plan that is assigned or that undertakes the chief policy-making powers and management duties of the plan.

Subd. 16. [INVESTMENT ADVISORY COUNCIL.] “Investment advisory council” means the investment advisory council established by section 11A.08.

Subd. 17. [LIABILITY.] “Liability” means a secured or unsecured debt or an obligation for a future payment of money, including an actuarial accrued liability or an unfunded actuarial accrued liability, except where the context clearly indicates another meaning.

Subd. 18. [OFFICE OF THE PENSION PLAN.] “Office of the pension plan” means an administrative facility or portion of a facility where the primary business or administrative affairs of a pension plan are conducted and the primary and permanent records and files of the plan are retained.

Subd. 19. [PENSION FUND.] “Pension fund” means the assets amassed and held in a pension plan, other than the general fund, as reserves for present and future payment of benefits and administrative expenses.

Subd. 20. [PENSION PLAN.] “Pension plan” means all aspects of an arrangement between a public employer and its employees concerning the pension benefit coverage provided to the employees.

Subd. 21. [PLAN DOCUMENT.] “Plan document” means a written document or series of documents containing the eligibility requirements and entitlement provisions constituting the benefit coverage of a pension plan, including any articles of incorporation,

bylaws, governing body rules and policies, municipal charter provisions, municipal ordinance provisions, or general or special state law.

Subd. 22. [PLAN PARTICIPANT.] “Plan participant” means a person who is an active member of a pension plan by virtue of the person’s employment or who is making a pension plan member contribution.

Subd. 23. [STATE BOARD OF INVESTMENT.] “State board of investment” means the Minnesota state board of investment created by the Minnesota Constitution, article XI, section 8.

Subd. 24. [STATEWIDE PLAN.] “Statewide plan” means any of the following pension plans:

(1) the Minnesota state retirement system or a pension plan administered by it;

(2) the public employees retirement association or a pension plan administered by it; and

(3) the teachers retirement association or a pension plan administered by it.

Sec. 2. [356A.02] [FIDUCIARY STATUS AND ACTIVITIES.]

Subdivision 1. [FIDUCIARY STATUS.] For purposes of this chapter, the following persons are fiduciaries:

(1) any member of the governing board of a covered pension plan;

(2) the chief administrative officer of a covered pension plan or of the state board of investment;

(3) any member of the state board of investment; and

(4) any member of the investment advisory council.

Subd. 2. [FIDUCIARY ACTIVITY.] The activities of a fiduciary identified in subdivision 1 that must be carried out in accordance with the requirements of section 356A.04 include, but are not limited to:

(1) the investment of plan assets;

(2) the determination of benefits;

(3) the determination of eligibility for membership or benefits;

- (4) the determination of the amount or duration of benefits;
- (5) the determination of funding requirements or the amounts of contributions;
- (6) the maintenance of membership or financial records; and
- (7) the expenditure of plan assets.

Sec. 3. [356A.03] [PROHIBITION OF CERTAIN PERSONS FROM FIDUCIARY STATUS.]

Subdivision 1. [INDIVIDUAL PROHIBITION.] For the prohibition period established by subdivision 2, a person, other than a constitutional officer of the state, who has been convicted of a violation listed in subdivision 3, may not serve in a fiduciary capacity identified in section 356A.02.

Subd. 2. [PROHIBITION PERIOD.] A prohibition under subdivision 1 is for a period of five years, beginning on the day following conviction for a violation listed in subdivision 3 or, if the person convicted is incarcerated, the day following unconditional release from incarceration.

Subd. 3. [APPLICABLE VIOLATIONS.] A prohibition under subdivision 1 is imposed as a result of any of the following violations of law:

(1) a violation of federal law specified in United States Code, title 29, section 1111, as amended;

(2) a violation of Minnesota law that is a felony under Minnesota law; or

(3) a violation of the law of another state, United States territory or possession, or federally recognized Indian tribal government, or of the Uniform Code of Military Justice, that would be a felony under the offense definitions and sentences in Minnesota law.

Subd. 4. [DOCUMENTATION.] In determining the applicability of this section, the appropriate appointing authority, the state board of investment, or the covered pension plan, as the case may be, may rely on a disclosure form meeting the requirements of the federal Investment Adviser Act of 1940, as amended through the effective date of this section, and filed with the state board of investment or the pension plan.

Sec. 4. [356A.04] [GENERAL STANDARD OF FIDUCIARY CONDUCT.]

Subdivision 1. [DUTY.] A fiduciary of a covered pension plan owes a fiduciary duty to:

(1) the active, deferred, and retired members of the plan, who are its beneficiaries;

(2) the taxpayers of the state or political subdivision, who help to finance the plan; and

(3) the state of Minnesota, which established the plan.

Subd. 2. [PRUDENT PERSON STANDARD.] A fiduciary identified in section 356A.02 shall act in good faith and shall exercise that degree of judgment and care, under the circumstances then prevailing, that persons of prudence, discretion, and intelligence would exercise in the management of their own affairs, not for speculation, considering the probable safety of the plan capital as well as the probable investment return to be derived from the assets.

Sec. 5. [356A.05] [DUTIES APPLICABLE TO ALL ACTIVITIES.]

(a) The activities of a fiduciary of a covered pension plan must be carried out solely for the following purposes:

(1) to provide authorized benefits to plan participants and beneficiaries;

(2) to incur and pay reasonable and necessary administrative expenses; or

(3) to manage a covered pension plan in accordance with the purposes and intent of the plan document.

(b) The activities of fiduciaries identified in section 356A.02 must be carried out faithfully, without prejudice, and in a manner consistent with law and the plan document.

Sec. 6. [356A.06] [INVESTMENTS; ADDITIONAL DUTIES.]

Subdivision 1. [TITLE TO ASSETS.] Assets of a covered pension plan may be held only by the plan treasurer, the state board of investment, the depository agent of the plan, or of the state board of investment. Legal title to plan assets must be vested in the plan, the state board of investment, the governmental entity that sponsors the plan, the nominee of the plan, or the depository agent. The holder of legal title shall function as a trustee for a person or entity with a beneficial interest in the assets of the plan.

Subd. 2. [DIVERSIFICATION.] The investment of plan assets must be diversified to minimize the risk of substantial investment

losses unless the circumstances at the time an investment is made clearly indicate that diversification would not be prudent.

Subd. 3. [ABSENCE OF PERSONAL PROFIT.] No fiduciary may personally profit, directly or indirectly, as a result of the investment or management of plan assets. This subdivision, however, does not preclude the receipt by a fiduciary of reasonable compensation, including membership in or the receipt of benefits from a pension plan, for the fiduciary's position with respect to the plan.

Subd. 4. [ECONOMIC INTEREST STATEMENT.] Each member of the governing board of a covered pension plan and the chief administrative officer of the plan shall file with the plan a statement of economic interest. The statement must contain the information required by section 10A.09, subdivision 5, and any other information that the fiduciary or the governing board of the plan determines is necessary to disclose a reasonably foreseeable potential or actual conflict of interest. The statement must be filed annually with the chief administrative officer of the plan and be available for public inspection during regular office hours at the office of the pension plan. A disclosure form meeting the requirements of the federal Investment Advisers Act of 1940, United States Code, title 15, sections 80b-1 to 80b-21 as amended, and filed with the state board of investment or the pension plan meets the requirements of this subdivision.

Subd. 5. [INVESTMENT BUSINESS RECIPIENT DISCLOSURE.] The chief administrative officer of a covered pension plan, with respect to investments made by the plan, and the executive director of the state board of investment, with respect to investments of plan assets made by the board, shall annually disclose in writing the recipients of investment business placed with or investment commissions allocated among commercial banks, investment bankers, brokerage organizations, or other investment managers. The disclosure document must be prepared within 60 days after the close of the fiscal year of the plan and must be available for public inspection during regular office hours at the office of the plan. The disclosure document must also be filed with the executive director of the legislative commission on pensions and retirement within 90 days after the close of the fiscal year of the plan. For the state board of investment, a disclosure document included as part of a regular annual report of the board is considered to have been filed on a timely basis.

Subd. 6. [LIMITED LIST OF AUTHORIZED INVESTMENT SECURITIES.] (a) Except to the extent otherwise authorized by law, a covered pension plan may invest its assets only in investment securities authorized by this subdivision if the plan does not:

(1) have assets with a book value in excess of \$1,000,000;

(2) use the services of an investment advisor registered with the Securities and Exchange Commission in accordance with the Investment Advisors Act of 1940, or licensed as an investment advisor in accordance with sections 80A.04, subdivision 4, and 80A.14, subdivision 9, for the investment of at least 60 percent of its assets, calculated on book value;

(3) use the services of the state board of investment for the investment of at least 60 percent of its assets, calculated on book value; or

(4) use a combination of the services of an investment advisor meeting the requirements of clause (2) and the services of the state board of investment for the investment of at least 75 percent of its assets, calculated on book value.

(b) Investment securities authorized for a pension plan covered by this subdivision are:

(1) certificates of deposit issued, to the extent of available insurance or collateralization, by a financial institution that is a member of the Federal Deposit Insurance Corporation or the Federal Savings and Loan Insurance Corporation, is insured by the National Credit Union Administration, or is authorized to do business in this state and has deposited with the chief administrative officer of the plan a sufficient amount of marketable securities as collateral in accordance with section 118.01;

(2) savings accounts, to the extent of available insurance, with a financial institution that is a member of the Federal Deposit Insurance Corporation or the Federal Savings and Loan Insurance Corporation;

(3) governmental obligations, including bonds, notes, bills, or other fixed obligations, issued by the United States, an agency or instrumentality of the United States, an organization established and regulated by an act of Congress or by a state, state agency or instrumentality, municipality, or other governmental or political subdivision that:

(i) for the obligation in question, issues an obligation that equals or exceeds the stated investment yield of debt securities not exempt from federal income taxation and of comparable quality;

(ii) for an obligation that is a revenue bond, has been completely self-supporting for the last five years; and

(iii) for an obligation other than a revenue bond, has issued an obligation backed by the full faith and credit of the applicable taxing jurisdiction and has not been in default on the payment of principal

or interest on the obligation in question or any other nonrevenue bond obligation during the preceding ten years;

(4) corporate obligations, including bonds, notes, debentures, or other regularly issued and readily marketable evidences of indebtedness issued by a corporation organized under the laws of any state that during the preceding five years has had on average annual net pretax earnings at least 50 percent greater than the annual interest charges and principal payments on the total issued debt of the corporation during that period and that, for the obligation in question, has issued an obligation rated in one of the top three quality categories by Moody's Investors Service, Incorporated, or Standard and Poor's Corporation; and

(5) shares in an open-end investment company registered under the federal Investment Company Act of 1940, if the portfolio investments of the company are limited to investments that meet the requirements of clauses (1) to (4).

Subd. 7. [EXPANDED LIST OF AUTHORIZED INVESTMENT SECURITIES.] Except to the extent otherwise authorized by law or bylaws, a covered pension plan not described by subdivision 6, paragraph (a), may invest its assets only in accordance with section 11A.24.

Subd. 8. [MINIMUM LIQUIDITY REQUIREMENTS.] A covered pension plan described by subdivision 6, paragraph (a), in order to pay benefits as they come due, shall invest a portion of its assets in authorized short-term debt obligations that can be immediately liquidated without accrual of a substantial determinable penalty or loss and that have an average maturity of no more than 90 days. The chief administrative officer of the plan shall determine the minimum liquidity requirement of the plan and shall retain appropriate documentation of that determination for three years from the date of determination.

Subd. 9. [PROHIBITED TRANSACTIONS.] (a) No fiduciary of a covered pension plan may engage in a prohibited transaction or allow the plan to engage in a transaction that the fiduciary knows or should know is a prohibited transaction.

(b) A prohibited transaction is any of the following transactions, whether direct or indirect:

(1) the sale, exchange, or lease of real estate between the pension plan and a fiduciary of the plan;

(2) the lending of money or other extension of credit between the plan and a fiduciary of the plan;

(3) the furnishing to a plan by a fiduciary for compensation or remuneration, of goods, services other than those performed in the capacity of fiduciary, or facilities;

(4) the furnishing to a fiduciary by a plan of goods, services, or facilities other than office and related space, equipment and office supplies, and administrative services appropriate to the recipient's fiduciary position;

(5) the transfer of plan assets to a plan fiduciary for use by or the benefit of the fiduciary, other than the payment of retirement plan benefits to which a fiduciary is entitled or the payment to a fiduciary of a reasonable salary and of necessary and reasonable expenses incurred by the fiduciary in the performance of the fiduciary's duties; and

(6) the sale, exchange, loan, or lease of any item of value between a plan and a fiduciary of the plan other than for a fair market value and as a result of an arms-length transaction.

Sec. 7. [356A.07] [BENEFIT SUMMARY; ANNUAL REPORTS; ADDITIONAL DUTIES.]

Subdivision 1. [BENEFIT PROVISIONS SUMMARY.] The chief administrative officer of a covered pension plan shall prepare and provide each active plan participant with a summary of the benefit provisions of the plan document. The summary must be provided within 30 days of the start or resumption of a participant's membership in the plan, or within 30 days of the date on which the start or resumption of membership was reported to a covered pension plan by a covered governmental entity, whichever is later. The summary must contain a notice that it is a summary of the plan document but is not itself the plan document, and that in the event of a discrepancy between the summary and the plan document as amended, the plan document governs. A copy of the plan document as amended must be furnished to a plan participant or benefit recipient upon request. The chief administrative officer may utilize the services of the covered governmental entity in providing the summary. The summary must be in a form reasonably calculated to be understood by an average plan participant.

Subd. 2. [ANNUAL FINANCIAL REPORT.] A covered pension plan shall provide each active plan participant and benefit recipient with a copy of the most recent annual financial report required by section 356.20 and a copy of the most recent actuarial evaluation, if any, required by section 69.77, 69.773, 356.215, or 356.216, or a summary of those reports.

Subd. 3. [DISTRIBUTION.] A covered pension plan may distribute the summaries required by this section through covered governmental entities so long as the plan has made arrangements with the

entities to assure, with reasonable certainty, that the summaries will be distributed, or made easily available, to active plan participants.

Subd. 4. [REVIEW PROCEDURE.] If a review procedure is not specified by law for a covered pension plan, the chief administrative officer of the plan shall propose, and the governing board of the plan shall adopt and implement, a procedure for reviewing a determination of eligibility, benefits, or other rights under the plan that is adverse to a plan participant or benefit recipient. The review procedure must include provisions for timely notice to the plan participant or benefit recipient and reasonable opportunity to be heard in any review proceeding conducted and may, but need not be, a contested case under chapter 14.

Sec. 8. [356A.08] [PLAN ADMINISTRATION; ADDITIONAL DUTIES.]

Subdivision 1. [PUBLIC MEETINGS.] A meeting of the governing board of a covered statewide pension plan or of a committee of the governing board of the statewide plan is governed by section 471.705.

Subd. 2. [LIMIT ON COMPENSATION.] No fiduciary of a covered pension plan or a direct relative of a fiduciary may receive any direct or indirect compensation, fee, or other item of more than nominal value from a third party in consideration for a pension plan disbursement.

Sec. 9. [356A.09] [FIDUCIARY BREACH; REMEDIES.]

Subdivision 1. [OCCURRENCE OF BREACH.] A fiduciary breach occurs if a fiduciary violates the general standard of fiduciary conduct as specified in section 356A.04 in carrying out the activities of a fiduciary. A fiduciary breach also occurs if a fiduciary of a covered pension plan violates the provisions of section 356A.06, subdivision 9.

Subd. 2. [REMEDIES.] Remedies available for a fiduciary breach by a fiduciary are those specified by statute or available at common law.

Sec. 10. [356A.10] [COFIDUCIARY RESPONSIBILITY AND LIABILITY.]

Subdivision 1. [COFIDUCIARY RESPONSIBILITY IN GENERAL.] A cofiduciary has a general responsibility to oversee the fiduciary activities of all other fiduciaries unless the activity has been allocated or delegated in accordance with subdivision 3. A cofiduciary also has a general responsibility to correct or alleviate a

fiduciary breach of which the cofiduciary had or ought to have had knowledge.

Subd. 2. [COFIDUCIARY LIABILITY.] A cofiduciary is liable for a fiduciary breach committed by another fiduciary when the cofiduciary has a responsibility to oversee the fiduciary activities of the other fiduciary or to correct or alleviate a breach by that fiduciary.

Subd. 3. [LIMITATION ON COFIDUCIARY RESPONSIBILITY.] A cofiduciary may limit cofiduciary responsibility and liability through the allocation or delegation of fiduciary activities if the allocation or delegation:

- (1) follows appropriate procedures;
- (2) is made to an appropriate person or persons; and
- (3) is subject to continued monitoring of performance.

Subd. 4. [BAR TO LIABILITY IN CERTAIN INSTANCES.] A properly made delegation or allocation of a fiduciary activity is a bar to liability on the part of a fiduciary making the delegation or allocation unless the fiduciary has or ought to have knowledge of the breach and takes part in the breach, conceals it, or fails to take reasonable steps to remedy it.

Subd. 5. [EXTENT OF COFIDUCIARY LIABILITY.] Unless liability is barred under subdivision 4, cofiduciary liability is joint and several, but a cofiduciary has the right to recover from the responsible fiduciary for any damages paid by the cofiduciary.

Sec. 11. [356A.11] [FIDUCIARY INDEMNIFICATION.]

Subdivision 1. [INDEMNIFIED FIDUCIARIES.] A fiduciary who is a member of the governing board of a pension plan, the state board of investment or the investment advisory council, or who is an employee of a covered pension plan or of the state board of investment may be indemnified from liability for fiduciary breach. Indemnification is at the discretion of the governing board of the plan or of the state board of investment in the case of members of the state board or of the investment advisory council. A decision to indemnify a fiduciary must apply to all eligible fiduciaries of similar rank.

Subd. 2. [ALLOWABLE INDEMNIFICATION.] An indemnified fiduciary must be held harmless from reasonable costs or expenses incurred as a result of any actual or threatened litigation or other proceedings.

Sec. 12. [356A.12] [JURISDICTION; SERVICE OF PROCESS; AND STATUTE OF LIMITATIONS.]

Subdivision 1. [JURISDICTION.] The district court has jurisdiction over a challenge of a fiduciary action or inaction.

Subd. 2. [SERVICE OF PROCESS.] For a fiduciary or cofiduciary alleged in the complaint to be responsible for an alleged breach, personal service of process must be obtained.

Subd. 3. [LIMITATIONS ON LEGAL ACTIONS.] A legal action challenging a fiduciary action or inaction must be timely. Notwithstanding any limitation in chapter 541, an action is timely if it is brought within the earlier of the following periods:

(1) the period ending three years after the date of the last demonstrable act representing the alleged fiduciary breach or after the final date for performance of the act the failure to perform which constitutes the alleged breach; or

(2) the period ending one year after the date of the discovery of the alleged fiduciary breach.

Sec. 13. [356A.13] [CONTINUING FIDUCIARY EDUCATION.]

Subdivision 1. [OBLIGATION OF FIDUCIARIES.] A fiduciary of a covered pension plan shall make reasonable effort to obtain knowledge and skills sufficient to enable the fiduciary to perform fiduciary activities adequately. At a minimum, a fiduciary of a covered pension plan shall comply with the program established in accordance with subdivision 2.

Subd. 2. [CONTINUING FIDUCIARY EDUCATION PROGRAM.] The governing boards of covered pension plans shall each develop and periodically revise a program for the continuing education of any of their board members and any of their chief administrative officers who are not reasonably considered to be experts with respect to their activities as fiduciaries. The program must be designed to provide those persons with knowledge and skills sufficient to enable them to perform their fiduciary activities adequately.

Sec. 14. [EFFECTIVE DATE.]

Sections 1 to 13 are effective the day following final enactment.

ARTICLE 8

CONFORMING AMENDMENTS TO FIDUCIARY PROVISIONS.

Section 1. [3A.011] [ADMINISTRATION OF PLAN.]

The Minnesota state retirement system shall administer the legislators retirement plan in accordance with article 7.

Sec. 2. Minnesota Statutes 1988, section 11A.01, is amended to read:

11A.01 [STATEMENT OF PURPOSE.]

The purpose of ~~sections 11A.01 to 11A.25~~ this chapter is to establish standards ~~which will, in addition to the applicable standards of article 7,~~ to insure that state and pension assets subject to this legislation will be responsibly invested to maximize the total rate of return without incurring undue risk.

Sec. 3. Minnesota Statutes 1988, section 11A.04, is amended to read:

11A.04 [DUTIES AND POWERS.]

The state board shall:

(1) Act as trustees for each fund for which it invests or manages money in accordance with the standard of care set forth in section 11A.09 if state assets are involved and in accordance with article 7 if pension assets are involved.

(2) Formulate policies and procedures deemed necessary and appropriate to carry out its functions. Procedures adopted by the board ~~shall~~ must allow fund beneficiaries and members of the public to become informed of proposed board actions. Procedures and policies of the board ~~shall~~ are not be subject to the administrative procedure act.

(3) Employ an executive director as provided in section 11A.07.

(4) Employ investment advisors and consultants as it deems necessary.

(5) Prescribe policies concerning personal investments of all employees of the board to prevent conflicts of interest.

(6) Maintain a record of its proceedings.

(7) As it deems necessary, establish advisory committees subject to ~~the provisions of section 15.059~~ to assist the board in carrying out its duties.

(8) Not permit state funds to be used for the underwriting or direct purchase of municipal securities from the issuer or the issuer's agent.

(9) Direct the state treasurer to sell property other than money which that has escheated to the state when the board determines that sale of the property is in the best interest of the state. Escheated property shall must be sold to the highest bidder in the manner and upon terms and conditions prescribed by the board.

(10) Undertake any other activities necessary to implement the duties and powers set forth in this section.

(11) Establish a formula or formulas to measure management performance and return on investment. All Public pension funds in the state shall utilize the formula or formulas developed by the state board.

(12) Except as otherwise provided in article XI, section 8, of the constitution of the state of Minnesota, employ, at its discretion, qualified private firms to invest and manage the assets of funds over which the state board has investment management responsibility. There is annually appropriated to the state board, from the assets of the funds for which the state board utilizes a private investment manager, sums sufficient to pay the costs ~~thereof~~ of employing private firms. Each year, by January 15, the board shall report to the governor and legislature on the cost and the investment performance of each investment manager employed by the board.

(13) Adopt an investment policy statement that includes investment objectives, asset allocation, and the investment management structure for the retirement fund assets under its control. The statement may be revised at the discretion of the state board. The state board shall seek the advice of the council regarding its investment policy statement. Adoption of the statement is not subject to chapter 14.

Sec. 4. Minnesota Statutes 1988, section 11A.07, subdivision 4, is amended to read:

Subd. 4. [DUTIES AND POWERS.] The director, at the direction of the state board, shall:

(1) Plan, direct, coordinate and execute administrative and investment functions in conformity with the policies and directives of the state board and the requirements of this chapter and of article 7.

(2) Employ such professional and clerical staff as is necessary within the complement limits established by the legislature. Employees whose primary responsibility is to invest or manage money or employees who hold positions designated as unclassified pursuant to under section 43A.08, subdivision 1a shall be, are in the unclassified service of the state. Other employees shall be are in the classified service.

(3) Report to the state board on all operations under the director's control and supervision.

(4) Maintain accurate and complete records of securities transactions and official activities.

(5) Establish a policy relating to the purchase and sale of all securities on the basis of competitive offerings or bids. The policy is subject to board approval.

(6) Cause all securities acquired to be kept in the custody of the state treasurer or such other depositories consistent with article 7, as the state board deems appropriate.

(7) Prepare and file with the director of the legislative reference library ~~on or before~~ by December 31 of each year, a report summarizing the activities of the state board, the council, and the director during the preceding fiscal year. The report ~~shall~~ must be prepared so as to provide the legislature and the people of the state with a clear, comprehensive summary of the portfolio composition, the transactions, the total annual rate of return, and the yield to the state treasury and to each of the funds whose assets are invested by the state board, and the recipients of business placed or commissions allocated among the various commercial banks, investment bankers, and brokerage organizations. ~~This~~ The report ~~shall~~ must contain financial statements for funds managed by the board prepared in accordance with generally accepted accounting principles.

(8) Require state officials from any department or agency to produce and provide access to any financial documents the state board deems necessary in the conduct of ~~their~~ its investment activities.

(9) Receive and expend legislative appropriations.

(10) Undertake any other activities necessary to implement the duties and powers set forth in this subdivision consistent with article 7.

Sec. 5. Minnesota Statutes 1988, section 11A.09, is amended to read:

11A.09 [STANDARD OF CARE.]

In the discharge of their respective duties, the members of the state board, director, board staff, and members of the council and any other person charged with the responsibility of investing money pursuant to the standards set forth in sections 11A.01 to 11A.25 shall act in good faith and shall exercise that degree of judgment and care, under circumstances then prevailing, which persons of pru-

dence, discretion and intelligence exercise in the management of their own affairs, not for speculation, but for investment, considering the probable safety of their capital as well as the probable income to be derived therefrom. In addition, for the investment of pension fund assets, the members and director of the state board, and members of the investment advisory council shall act in accordance with article 7.

Sec. 6. Minnesota Statutes 1988, section 11A.13, subdivision 1, is amended to read:

Subdivision 1. [LEGAL TITLE TO FUND ASSETS.] Legal title to the assets of state funds to be invested by the state board shall must be in the state of Minnesota, or its nominees. Legal title to pension funds to be invested by the state board shall must be in the state board, or its nominees, as trustees for any person having a beneficial interest in the applicable fund subject to the rights of the particular funds maintaining shares, investment participation or units in the accounts to their credit as specified in article 7, section 6.

Sec. 7. Minnesota Statutes 1988, section 69.77, subdivision 2g, is amended to read:

Subd. 2g. The funds of the association shall must be invested in securities ~~which~~ that are ~~proper~~ authorized investments ~~pursuant to~~ under article 7, section 11A.24 6, subdivision 6 or 7. Notwithstanding the foregoing, up to 75 percent of the market value of the assets of the fund may be invested in open-end investment companies registered under the federal Investment Company Act of 1940, if the portfolio investments of the investment companies comply with the type of securities authorized for investment by section 11A.24, subdivisions 2 to 5. Securities held by the association before ~~March 20, 1986, which~~ the effective date of this section that do not meet the requirements of this ~~paragraph~~ subdivision may be retained after that date if they were proper investments for the association on that date.

The governing board of the association may select and appoint investment agencies to act for and in its behalf or may certify funds for investment by the state board of investment ~~under the provisions~~ of section 11A.17. The governing board of the association may select and appoint a qualified private firm to measure management performance and return on investment, and the firm shall use the formula or formulas developed by the state board ~~pursuant to~~ under section 11A.04, clause (11).

Sec. 8. Minnesota Statutes 1988, section 69.775, is amended to read:

69.775 [INVESTMENTS.]

The special fund assets of the relief associations governed by sections 69.771 to 69.776 shall must be invested in securities which that are proper authorized investments pursuant to under article 7, section 11A.24 6, subdivision 6 or 7. Notwithstanding the foregoing, up to 75 percent of the market value of the assets of the fund may be invested in open-end investment companies registered under the federal Investment Company Act of 1940, if the portfolio investments of the investment companies comply with the type of securities authorized for investment by section 11A.24, subdivisions 2 to 5. Securities held by the associations before March 20, 1986, which the effective date of this section that do not meet the requirements of this section may be retained after that date if they were proper investments for the association on that date. The governing board of the association may select and appoint investment agencies to act for and in its behalf or may certify funds for investment by the state board of investment under the provisions of section 11A.17. The governing board of the association may select and appoint a qualified private firm to measure management performance and return on investment, and the firm shall use the formula or formulas developed by the state board under section 11A.04, clause (11).

Sec. 9. Minnesota Statutes 1988, section 136.84, is amended to read:

136.84 [TITLE TO ASSETS, PERSONAL RIGHTS.]

The right of a person who has shares to the credit of the person's employee's share account record to redeem the shares or any portion thereof of the shares is a personal right only and ~~shall~~ is not be assignable. Legal title to the assets of the supplemental retirement investment fund ~~shall be in the state of Minnesota or the state board of investment or the nominee of either~~ is as specified in article 7, section 6, subdivision 1, subject to the rights of the teachers retirement fund. ~~Any~~ An assignment or attempted assignment of shares to the credit of an employee's share account record by ~~any~~ person is null and void. Such Shares are exempt from garnishment or levy under attachment or execution and from all taxation by the state of Minnesota, ~~except that none shall be but are not~~ exempt from taxation under chapter 291, unless transferred to a surviving spouse or minor or dependent child of the decedent or a trust for their benefit.

Sec. 10. Minnesota Statutes 1988, section 352.03, subdivision 7, is amended to read:

Subd. 7. [DIRECTORS' FIDUCIARY OBLIGATION.] The board and the director shall ~~administer the law faithfully without prejudice and undertake their activities consistent with the expressed intent of the legislature. They shall act in their respective capacities with a fiduciary obligation to the state of Minnesota which created~~

the fund, the taxpayers who aid in financing it, and the state employees who are its beneficiaries article 7.

Sec. 11. Minnesota Statutes 1988, section 352.92, is amended by adding a subdivision to read:

Subd. 3. [PLAN ADMINISTRATION.] The Minnesota state retirement system shall administer the correctional employees retirement plan established by sections 352.90 to 352.951 in accordance with this chapter, chapter 356, and article 7.

Sec. 12. Minnesota Statutes 1988, section 352.96, subdivision 3, is amended to read:

Subd. 3. [EXECUTIVE DIRECTOR TO ADMINISTER SECTION.] This section shall must be administered by the executive director of the system under subdivision 4. Fiduciary activities of the deferred compensation plan must be undertaken in a manner consistent with article 7. If the state board of investment so elects, it may solicit bids for options under subdivision 2, clauses (2) and (3). All contracts must be approved before execution by the state board of investment. Contracts must provide that all options in subdivision 2 must: be presented in an unbiased manner; be presented and in a manner conforming that conforms to applicable rules adopted by the executive director; be reported on a periodic basis to all employees participating in the deferred compensation program, and not be the subject of unreasonable solicitation of state employees to participate in the program. The contract may not call for any person to jeopardize the tax-deferred status of money invested by state employees under this section. All costs or fees in relation to the options provided under subdivision 2, clause (3), must be paid by the underwriting companies ultimately selected by the state board of investment.

Sec. 13. Minnesota Statutes 1988, section 352B.03, subdivision 1, is amended to read:

Subdivision 1. [OFFICERS.] The policy-making, management, and administrative functions governing the operation of the state patrol retirement fund are vested in the board of directors and executive director of the Minnesota state retirement system with duties, authority, and responsibility as provided in chapter 352. Fiduciary activities of the fund must be undertaken in a manner consistent with article 7.

Sec. 14. Minnesota Statutes 1988, section 352C.091, subdivision 1, is amended to read:

Subdivision 1. [ADMINISTRATIVE AGENCY AND STANDARDS.] The provisions of This chapter shall must be administered

by the Minnesota state retirement system. The elected state officers retirement plan must be administered consistent with this chapter, chapter 356, and article 7.

Sec. 15. Minnesota Statutes 1988, section 352D.09, subdivision 1, is amended to read:

Subdivision 1. [ADMINISTRATIVE AGENCY AND STANDARDS.] The unclassified employees retirement plan and the provisions of this chapter shall must be administered by the Minnesota state retirement system. The provisions of chapter 352 shall govern in all instances where not inconsistent with the provisions of this chapter. Fiduciary activities of the unclassified employees retirement plan must be undertaken in a manner consistent with article 7.

Sec. 16. Minnesota Statutes 1988, section 353.03, subdivision 1, is amended to read:

Subdivision 1. [MANAGEMENT; COMPOSITION; ELECTION.] The management of the public employees retirement fund is vested in a board of trustees consisting of the state auditor and eight members. The governor shall appoint five trustees to four-year terms, one of whom shall be designated to represent school boards, one to represent cities, one to represent counties, one who shall be is a retired annuitant, and one who is a public member knowledgeable in pension matters. The membership of the association shall elect three trustees for terms of four years. Trustees elected by the membership of the association must be public employees and members of the association. For seven days beginning October 1 of each year preceding a year in which an election is held, the association shall accept at its office filings in person or by mail of candidates for the board of trustees. A candidate shall submit at the time of filing a nominating petition signed by 25 or more members of the fund. No name may be withdrawn from nomination by the nominee after October 15. At the request of a candidate for an elected position on the board of trustees, the board shall mail a statement of up to 300 words prepared by the candidate to all persons eligible to vote in the election of the candidate. The board may adopt policies to govern form and length of these statements, timing of mailings, and deadlines for submitting materials to be mailed. These policies must be approved by the secretary of state. The secretary of state shall resolve disputes between the board and a candidate concerning application of these policies to a particular statement. A candidate who:

(1) receives contributions or makes expenditures in excess of \$100; or

(2) has given implicit or explicit consent for any other person to receive contributions or make expenditures in excess of \$100 for the

purpose of bringing about the candidate's election, ~~must~~ shall file a report with the ethical practices board disclosing the source and amount of all contributions to the candidate's campaign. The ethical practices board shall prescribe forms governing these disclosures. Expenditures and contributions have the meaning defined in section 10A.01. These terms do not include the mailing made by the association board on behalf of the candidate. A candidate ~~must~~ shall file a report within 30 days from the day that the results of the election are announced. The ethical practices board shall maintain these reports and make them available for public inspection in the same manner as the board maintains and makes available other reports filed with it. By January 10 of each year in which elections are to be held the board shall distribute by mail to the members ballots listing the candidates. No member may vote for more than one candidate for each board position to be filled. A ballot indicating a vote for more than one person for any position is void. No special marking may be used on the ballot to indicate incumbents. The last day for mailing ballots to the fund is January 31. Terms expire on January 31 of the fourth year, and positions are vacant until newly elected members are qualified. The ballot envelopes must be so designed and the ballots counted in a manner that ensures that each vote is secret.

The secretary of state shall supervise the elections. The board of trustees and the executive director shall ~~faithfully administer the law without prejudice and undertake their activities consistent with the expressed intent of the legislature.~~ Board members shall act as trustees with a fiduciary obligation to the state of Minnesota, which created the fund, the taxpayers of the governmental subdivisions that aid in financing it, and the public employees who are its beneficiaries. They shall act in good faith and shall exercise that degree of judgment and care, under circumstances then prevailing, that persons of prudence, discretion, and intelligence exercise in the management of their own affairs article 7.

Sec. 17. Minnesota Statutes 1988, section 354.06, subdivision 1, is amended to read:

Subdivision 1. The management of the fund ~~shall be~~ is vested in a board of eight trustees ~~which shall be known as the board of trustees of the teachers retirement fund. It shall be~~ is composed of the following persons: the commissioner of education, the commissioner of finance, the commissioner of commerce, four members of the fund ~~who shall be elected by the members of the fund, and one retiree who shall be elected by the retirees of the fund.~~ The five elected members of the board of trustees ~~shall~~ must be chosen by mail ballot in a manner ~~which shall be fixed by the board of trustees of the fund.~~ In every odd-numbered year there shall be elected two members of the fund to the board of trustees for terms of four years commencing on the first of July next succeeding their election. In every odd-numbered year ~~there shall be elected one retiree of the fund~~ must be

elect to the board of trustees for a term of two years commencing on the first of July next succeeding the election. The filing of candidacy for a retiree election must include a petition of endorsement signed by at least ten retirees of the fund. Each election shall must be completed by June first of each succeeding odd-numbered year. In the case of elective members, any vacancy shall must be filled by appointment by the remainder of the board, and the appointee shall serve until the members or retirees of the fund at the next regular election have elected a trustee to serve for the unexpired term caused by the vacancy. No member or retiree shall may be appointed by the board, or elected by the members of the fund as a trustee, if the person is not a member or retiree of the fund in good standing at the time of the appointment or election.

Subd. 1a. [FIDUCIARY DUTY.] ~~It shall be is the duty of the board of trustees and the executive director to faithfully administer the law without prejudice and undertake their activities consistent with the expressed intent of the legislature. They shall act as trustees with a fiduciary obligation to the state of Minnesota which created the fund, the taxpayers which aid in financing it and the teachers who are its beneficiaries article 7.~~

Sec. 18. Minnesota Statutes 1988, section 354A.021, subdivision 6, is amended to read:

Subd. 6. [TRUSTEES' FIDUCIARY OBLIGATION.] ~~It is the duty of The trustees or directors of each teachers retirement fund association to shall administer each fund in accordance with the applicable portions of this chapter, of the articles of incorporation, and of the bylaws, and of article 7. They shall act as trustees with a fiduciary obligation to the state of Minnesota which created the fund, the taxpayers which aid in financing it, and the teachers who are its beneficiaries. The purpose of this subdivision is to establish each teachers retirement fund association as a trust under the laws of the state of Minnesota for all purposes related to section 401(a) of the Internal Revenue Code of the United States, including all amendments.~~

Sec. 19. Minnesota Statutes 1988, section 422A.05, subdivision 2a, is amended to read:

Subd. 2a. [FIDUCIARY DUTY.] In the discharge of their respective duties, the members of the board, the executive director, the board staff, and any other person charged with the responsibility of investing money pursuant to the standards set forth in this chapter shall act in good faith and shall exercise that degree of judgment and care, under circumstances then prevailing, which persons of prudence, discretion and intelligence exercise in the management of their own affairs, not for speculation, but for investment, considering the probable safety of their capital as well as the probable income to be derived therefrom. In addition, the members of the

board and the chief administrative officer shall act in a manner consistent with article 1.

Sec. 20. Minnesota Statutes 1988, section 422A.05, subdivision 2d, is amended to read:

Subd. 2d. [ACCOUNT TRANSFERS.] Notwithstanding any law to the contrary, the retirement board, subject to the standards of subdivision 2a of this section and article 7, may transfer assets between accounts established by section 422A.06.

Sec. 21. Minnesota Statutes 1988, section 423.374, is amended to read:

423.374 [OFFICERS OF ASSOCIATION.]

The officers of the relief association shall be a president, one or more vice-presidents, a secretary and a treasurer. The offices of assistant secretary and assistant treasurer may be created by the bylaws of any such associations. The affairs of each association shall must be managed in accordance with article 7 by a board of directors elected in the manner prescribed by the articles of incorporation of the association.

The secretary and treasurer of each relief association shall each furnish a corporate bond to the association for the faithful performance of their duties, in such amounts as the association from time to time may determine. Each relief association shall and is hereby authorized to pay the premiums on such bonds from its special fund.

Sec. 22. Minnesota Statutes 1988, section 423.45, is amended to read:

423.45 [OFFICERS; DIRECTORS; BOND.]

The officers of the relief association shall be a president, one or more vice-presidents, a secretary and a treasurer. The offices of assistant secretary and assistant treasurer may be created by the bylaws of any such associations. The affairs of each association shall must be managed in accordance with article 7 by a board of directors elected in the manner prescribed by the articles of incorporation of the association.

The secretary and treasurer of each relief association shall each furnish a corporate bond to the association for the faithful performance of their duties, in such amounts as the association from time to time may determine. Each relief association shall and is hereby authorized to pay the premiums on such bonds from its special fund.

Sec. 23. Minnesota Statutes 1988, section 423.805, is amended to read:

423.805 [POLICE PENSION FUND.]

The association shall establish a police pension fund or continue to maintain the police pension fund now existing in the city and shall ~~have the management manage~~ and control of the fund. Fiduciary activities of the fund must be undertaken in a manner consistent with article 7.

Sec. 24. Minnesota Statutes 1988, section 423A.21, subdivision 4, is amended to read:

Subd. 4. [FIDUCIARY RESPONSIBILITY.] In the discharge of their respective duties, the officers and trustees shall be held to the standard of care enumerated in section 11A.09. In addition, the trustees must act in accordance with article 7.

Each member of the board is a fiduciary and shall undertake all fiduciary activities in accordance with the standard of care of section 11A.09, and in a manner consistent with article 7. No fiduciary of a relief association shall cause a relief association to engage in a transaction if the fiduciary knows or should know that a transaction constitutes one of the following direct or indirect transactions:

(1) sale or exchange or leasing of any real property between the relief association and a board member;

(2) lending of money or other extension of credit between the relief association and a board member or member of the relief association;

(3) furnishing of goods, services, or facilities between the relief association and a board member; or

(4) transfer to a board member, or use by or for the benefit of a board member, of any assets of the relief association. Transfer of assets does not mean the payment of relief association benefits or administrative expenses permitted by law.

Sec. 25. Minnesota Statutes 1988, section 424.06, is amended to read:

424.06 [OFFICERS; TRUSTEES.]

The officers of the relief association shall be a president, one or more vice-presidents, a secretary, and a treasurer. The offices of assistant secretary and assistant treasurer may be created by the bylaws of any such associations. The affairs of each association shall must be managed in accordance with article 7 by a board of trustees

elected in the manner prescribed by the articles of incorporation of the association.

The secretary and treasurer of each relief association shall each furnish a corporate bond to the association for the faithful performance of their duties, in amounts as the association from time to time may determine. Each relief association shall be and is hereby authorized to pay the premiums on such bonds from its general fund.

Sec. 26. Minnesota Statutes 1988, section 424A.001, subdivision 7, is amended to read:

Subd. 7. [FIDUCIARY RESPONSIBILITY.] In the discharge of their respective duties, the officers and trustees shall be held to the standard of care enumerated in section 11A.09. In addition, the trustees must act in accordance with article 7.

Each member of the board is a fiduciary and shall undertake all fiduciary activities in accordance with the standard of care of section 11A.09, and in a manner consistent with article 7. No fiduciary of a relief association shall cause a relief association to engage in a transaction if the fiduciary knows or should know that a transaction constitutes one of the following direct or indirect transactions:

(1) sale or exchange or leasing of any real property between the relief association and a board member;

(2) lending of money or other extension of credit between the relief association and a board member or member of the relief association;

(3) furnishing of goods, services, or facilities between the relief association and a board member; or

(4) transfer to a board member, or use by or for the benefit of a board member, of any assets of the relief association. Transfer of assets does not mean the payment of relief association benefits or administrative expenses permitted by law.

Sec. 27. Minnesota Statutes 1988, section 424A.04, subdivision 2, is amended to read:

Subd. 2. [FIDUCIARY DUTY.] It shall be the duty of The board of trustees to faithfully administer any provisions of statute or special law applicable to the relief association without prejudice and shall undertake their activities consistent with the expressed intent of the legislature. The members of the board shall act as trustees with a fiduciary obligation to the state of Minnesota which authorized the creation of the relief association, to the taxpayers who aid in its financing, and to the firefighters who are its beneficiaries article 7.

Sec. 28. [490.021] [ADMINISTRATION OF VARIOUS JUDGES RETIREMENT PLANS.]

The Minnesota state retirement system shall administer the judges retirement plans established by sections 490.025 to 490.12 in accordance with article 7.

Sec. 29. Minnesota Statutes 1988, section 490.122, is amended to read:

490.122 [ADMINISTRATION OF JUDGES' RETIREMENT.]

The policy-making, management, and administrative functions governing the operation of the judges' retirement fund and the administration of sections 490.025 490.121 to 490.132 shall be are vested in the board of directors and executive director of the Minnesota state retirement system with such duties, authority, and responsibility as are provided in chapter 352. Except as otherwise specified, no provision of chapter 352 shall apply applies to the judges' retirement fund or any judge. Fiduciary activities of the uniform retirement and survivors' annuities for judges must be undertaken in a manner consistent with article 7.

Sec. 30. [EFFECTIVE DATE.]

Sections 1 to 29 are effective the day following final enactment.

ARTICLE 9

OTHER TEACHERS' RETIREMENT ASSOCIATIONS PROVISIONS

Section 1. Minnesota Statutes 1988, section 11A.19, is amended by adding a subdivision to read:

Subd. 9. Effective June 30, 1989, all assets of the variable annuity investment fund must be transferred to the Minnesota combined investment funds to the credit of the teachers retirement fund established under chapter 354.

Sec. 2. Minnesota Statutes 1988, section 354.50, is amended by adding a subdivision to read:

Subd. 5. Notwithstanding section 354.62, subdivision 5, clause (4), a member who received a refund of variable account accumulations may repay this refund to the member's formula account under this section.

Sec. 3. Minnesota Statutes 1988, section 354.62; subdivision 2, is amended to read:

Subd. 2. [INDIVIDUAL ELECTION.] Each member of the teachers retirement association may elect to participate in the variable annuity division by filing a written notice with the board of trustees on forms provided by the board.

(1) Employee variable annuity contributions to the variable annuity division shall be pursuant to the option available in section 354.44, subdivision 7, the employee variable annuity contributions shall be an amount equal to one-half of the employee rates specified in section 354.42, subdivision 2.

(2) Employer variable annuity contributions shall be an amount equal to the employee variable annuity contributions provided in clause (1). The deficiency in equal employer variable annuity contributions which shall exist prior to July 1, 1975 shall be recovered from the additional employer contributions made prior to July 1, 1975 pursuant to section 354.42, subdivision 5.

(3) There shall be provided for members participating in the variable annuity division a separate account for each member which will show the member's variable account accumulations as defined in section 354.05, subdivision 23. The board shall establish such other accounts in the variable annuity division as it deems necessary for the operation of this provision.

(4) After June 30, 1974 there shall be no new participants in this program.

(5) Any active member currently participating in the variable annuity division may elect to cease participation in the variable annuity division effective the July 1 following the filing of a written notice with the board of trustees on forms provided by the board. If this election is made, all future contributions will go to the formula program.

(6) Effective May 16, 1989, all active and inactive members with variable account accumulations must have their formula service credit covered by the full formula program percentages specified in section 354.44, subdivision 6. Each active and inactive member's variable account accumulations must be transferred to the member's formula account and this amount must become part of the member's accumulated deductions. An equal employer contribution amount must be transferred to the regular fund of the association. These transfers must include any employee and employer contributions made after June 30, 1988.

Sec. 4. Minnesota Statutes 1988, section 354.62, is amended by adding a subdivision to read:

Subd. 7. [TRANSFER.] Effective June 30, 1989, all persons receiving benefits from the variable annuity reserve account must have the full amount of their required reserves transferred to the Minnesota postretirement investment fund. Benefit payments from the Minnesota postretirement investment fund must be in the same amount as benefit payments from the variable annuity reserve account but any future increases on these amounts must be based on the increases applicable to the Minnesota postretirement investment fund as determined under section 11A.18. The first increase must be paid January 1, 1990. The additional required reserves, including the required reserves for the first increase, that must be transferred from the variable annuity fund to the Minnesota postretirement investment fund must be transferred from the turnover account of the variable annuity fund. After this transfer of additional required reserves, any remaining balance in the turnover account of the variable annuity fund must be transferred to the regular fund of the association.

Sec. 5. [ENTITLEMENT TO ANNUITY.]

Notwithstanding any requirement of prior law that a member or former member have 20 years of service credit in order for a surviving spouse to receive a joint and survivor annuity under the teachers' retirement association formula program established in Minnesota Statutes, section 354.46, a surviving spouse of a person who met the following qualifications is entitled to receive the second portion of a 100 percent joint and survivor annuity under the formula program:

- (1) the person was age 55 or older at the time of death;
- (2) the person had at least 19 years of service credit in the teachers' retirement association; or
- (3) the sum of the person's service credit in the teachers' retirement association plus the person's employment at the University of Minnesota exceeds 20 years.

The payments due under this section do not include postretirement adjustments that would have been granted between the time of the member or former member's death and the effective date of this section.

The teachers' retirement association shall transfer to the state board of investment, for deposit in the postretirement investment fund, money equal to the reserves required to fund the benefits payable under this section.

Sec. 6. [EFFECTIVE DATE.]

Sections 1 to 5 are effective the day following final enactment. Section 5 applies retroactively to the surviving spouses of persons who died after January 1, 1977. Annuity payments due under section 5 must begin after the date of final enactment. No payments are due for the period of time before the effective date of section 5.

ARTICLE 10

VOLUNTEER FIREFIGHTERS

Section 1. Minnesota Statutes 1988, section 423A.01, subdivision 2, is amended to read:

Subd. 2. [OPERATION OF LOCAL RELIEF ASSOCIATION UPON MODIFICATION OF RETIREMENT COVERAGE FOR NEWLY HIRED POLICE OFFICERS AND FIREFIGHTERS.] The following provisions shall govern the operation of a local relief association upon the modification of retirement coverage for newly hired police officers or firefighters:

(1) The minimum obligation of a municipality in which the retirement coverage for newly hired police officers or salaried firefighters has been modified pursuant to subdivision 1 with respect to the local relief association shall be determined and governed in accordance with the provisions of sections 69.77, 356.215 and 356.216, except that the normal cost calculation for the relief association shall be computed as a percentage of the compensation paid to the active members of the relief association. The compensation paid to persons with retirement coverage modified pursuant to subdivision 1 shall not be included in any of the computations made in determining the obligation of the municipality with respect to the local relief association.

(2) The contribution rate of members of the local relief association shall be governed by section 69.77, unless a special law establishing a greater member contribution rate is applicable whereupon it shall continue to govern. The member contribution rate of persons with retirement coverage modified pursuant to subdivision 1 shall be governed by section 353.65.

(3) Unless otherwise provided for by law, when every active member of the local relief association retires or terminates from active duty, the local relief association shall cease to exist as a legal entity and the assets of the special fund of the relief association shall be transferred to a trust fund to be established by the appropriate municipality for the purpose of paying service pensions and retirement benefits to recipient beneficiaries. Recipient beneficiaries who are competent to act on their own behalf shall be entitled to select

the prescribed number of trustees of the trust fund as provided in this clause, subject to the approval of the governing body of the municipality. If there are at least five recipient beneficiaries, the trust fund shall be managed by a board of trustees composed of five persons selected by the recipient beneficiaries of the fund. When there are fewer than five recipient beneficiaries, the number of trustees selected by the recipient beneficiaries shall be equal to the number of the remaining recipient beneficiaries. The governing body of the municipality shall select the additional trustees. The term of the elected members of the board of trustees shall be indefinite and shall continue until a vacancy occurs in one of the board of trustee member positions. Board of trustee members shall not be compensated for their services, but shall be reimbursed for any expenses actually and necessarily incurred as a result of the performance of their duties in their capacity as board of trustee members. The municipality shall perform whatever services are necessary to administer the trust fund. When all obligations of the trust fund are paid, the balance of the assets remaining in the trust fund shall revert to the municipality for expenditure for law enforcement or firefighting purposes, whichever is applicable.

(4) The financial requirements of the trust fund and the minimum obligation of the municipality with respect to the trust fund shall be determined in accordance with sections 69.77, 356.215 and 356.216 until the unfunded accrued liability of the trust fund is fully amortized in accordance with section 69.77, subdivision 2b. The municipality shall provide in its annual budget for at least the aggregate amount of service pensions, disability benefits, survivorship benefits and refunds which are projected as payable for the following calendar year, as determined by the board of trustees of the trust fund, less the amount of assets in the trust fund as of the end of the most current calendar year for which figures are available, valued pursuant to section 356.20, subdivision 4, clause (1)(a), if the difference between those two figures is a positive number.

(5) In calculating the amount of service pensions and other retirement benefits payable from the local relief association and in calculating the amount of any automatic post retirement increases in those service pensions and retirement benefits based on the salary paid or payable to active members or escalated in any fashion, the salary for use as the base for the service pension or retirement benefit calculation and the post retirement increase calculation for the local relief association shall be the salary for the applicable position as specified in the articles of incorporation or bylaws of the relief association as of the date immediately prior to the effective date of the modification of retirement coverage for newly hired personnel pursuant to subdivision 1, as the applicable salary is reset by the municipality periodically, irrespective of whether retirement coverage for persons holding the applicable position used in calculations is provided by the relief association or by the public employees police and fire fund. If for a local salaried firefighters relief

association, the specified position no longer exists because of a reorganization of the fire department as a volunteer fire department, the percentage increase in the salary of the position of a top grade patrol officer in the police department of the municipality must be the basis for service pension and retirement benefit postretirement increase calculations.

(6) If the modification of retirement coverage implemented pursuant to subdivision 1 is applicable to a local police relief association, the police state aid received by the municipality shall be disbursed pursuant to section 69.031, subdivision 5, clause (2)(c). If the modification of retirement coverage implemented pursuant to subdivision 1 is applicable to a local firefighters' relief association, the fire state aid received by the applicable municipality shall be disbursed as the municipality at its option may elect. The municipality may elect: (a) to transmit the total fire state aid to the treasurer of the local relief association for immediate deposit in the special fund of the relief association; or (b) to apply the total fire state aid toward the employer contribution of the municipality to the public employees police and fire fund pursuant to section 353.65, subdivision 3; or (c) to allocate the total fire state aid proportionately between the special fund of the local relief association and employer contribution of the municipality to the public employees police and fire fund on the basis of the respective number of active full time salaried firefighters receiving retirement coverage from each.

Sec. 2. Minnesota Statutes 1988, section 424A.01, subdivision 2, is amended to read:

Subd. 2. [STATUS OF SUBSTITUTE OR PROBATIONARY VOLUNTEER FIREFIGHTERS.] No person who is serving as a substitute or a probationary volunteer firefighter shall be deemed to be a firefighter for purposes of chapter 69 or this chapter nor shall be authorized to be a member of any volunteer firefighters' relief association governed by chapter 69 or this chapter.

Sec. 3. Minnesota Statutes 1988, section 424A.02, subdivision 1, is amended to read:

Subdivision 1. [AUTHORIZATION.] Any A relief association, when its articles of incorporation or bylaws so provide, may pay out of the assets of its special fund a service pension to each of its members who: (1) separates from active service with the fire department; (2) reaches the age of 50 years; (3) completes at least ~~ten~~ five years of active service as an active member of the municipal fire department to which the relief association is associated; (4) completes at least ~~ten~~ five years of active membership with the relief association ~~prior to before~~ separation from active service; and (5) complies with any additional conditions as to age, service, and membership ~~which that~~ are prescribed by the bylaws of the relief association. The service pension may be paid whether or not the

municipality or nonprofit firefighting corporation to which the relief association is associated qualifies for fire state aid under chapter 69. In the case of a member who has completed at least ~~ten~~ five years of active service as an active member of the fire department to which the relief association is associated on the date that the relief association is established and incorporated, the requirement that the member complete at least ~~ten~~ five years of active membership with the relief association ~~prior to~~ before separation from active service may be waived by the board of trustees of the relief association if the member completes at least ~~ten~~ five years of inactive membership with the relief association ~~prior to~~ before the payment of the service pension. During the period of inactive membership, the member ~~shall is~~ is not be entitled to receive ~~any~~ any disability benefit coverage, ~~shall is~~ is not be entitled to receive ~~any~~ any additional service credit towards computation of a service pension, and ~~shall be deemed is~~ is considered to have the status of a person entitled to a deferred service pension ~~pursuant to~~ under subdivision 7.

No municipality or nonprofit firefighting corporation is ~~authorized to~~ may delegate the power to take final action in setting a service pension or ancillary benefit amount or level to the board of trustees of the relief association or to approve in advance a service pension or ancillary benefit amount or level equal to the maximum amount or level ~~which~~ that this chapter would allow rather than a specific dollar amount or level.

No relief association as defined in section 424A.001, subdivision 4, ~~shall may~~ may pay a service pension or disability benefit to ~~any~~ any a former member of the relief association if that person has not separated from active service with the fire department to which the relief association is directly associated.

For the purposes of this chapter, "to separate from active service" means to cease to perform fire suppression duties and to cease to supervise fire suppression duties.

Sec. 4. Minnesota Statutes 1988, section 424A.02, subdivision 2, is amended to read:

Subd. 2. [NONFORFEITABLE PORTION OF SERVICE PENSION.] If the articles of incorporation or bylaws of a relief association so provide, a relief association may pay a reduced service pension to a retiring member who has completed fewer than 20 years of service. The reduced service pension may be paid when the retiring member meets the minimum age and service requirements of subdivision 1.

The amount of the reduced service pension ~~shall may~~ may not exceed the amount calculated by multiplying the service pension appropriate for the completed years of service as specified in the bylaws times

the applicable nonforfeitable percentage of pension. The applicable nonforfeitable percentage of pension amounts are as follows:

Completed Years of Service	Nonforfeitable Percentage of Pension Amount
5	40 percent
6	44 percent
7	48 percent
8	52 percent
9	56 percent
10	60 percent
11	64 percent
12	68 percent
13	72 percent
14	76 percent
15	80 percent
16	84 percent
17	88 percent
18	92 percent
19	96 percent
20 and thereafter	100 percent

Sec. 5. Minnesota Statutes 1988, section 424A.02, subdivision 7, is amended to read:

Subd. 7. [DEFERRED SERVICE PENSIONS.] A member of a relief association to which this section applies is entitled to a deferred service pension if the member:

(1) has completed the lesser of the minimum period of active service with the fire department specified in the bylaws or 20 years of active service with the fire department;

(2) has completed at least ~~ten~~ five years of active membership in the relief association; and

(3) separates from active service and membership ~~prior to before~~ reaching the age of 50 years or the minimum age for retirement and commencement of a service pension specified in the bylaws governing the relief association if that age is greater than the age of 50 years. The deferred service pension ~~shall commence~~ starts when the former member reaches the age of 50 years or the minimum age specified in the bylaws governing the relief association if that age is greater than the age of 50 years and when the former member makes a valid written application. ~~Any A~~ relief association which that provides a lump sum service pension may, when its governing bylaws so provide, pay interest on the deferred lump sum service pension during the period of deferral. If provided for, interest ~~shall~~ must be paid at the rate actually earned by the relief association, but not to exceed the interest rate specified in section 356.215,

subdivision 4d, and shall must be compounded annually based on calendar year balances. The deferred service pension shall be is governed by and shall must be calculated pursuant to any under the general statute, special law, relief association articles of incorporation, or relief association bylaw provisions applicable as of on the date on which the member separated from active service with the fire department and active membership in the relief association.

Sec. 6. Minnesota Statutes 1988, section 424A.02, subdivision 13, is amended to read:

Subd. 13. [COMBINED SERVICE PENSIONS.] If the articles of incorporation or bylaws of the associations so provide, a volunteer firefighter with total service credit of ten years or more, if every affected relief association does not require only a five-year service vesting requirement, or five years or more, if every affected relief association requires only a five-year service vesting requirement, as a member of two or more relief associations is entitled, when otherwise qualified, to a prorated service pension from each association in which the member has two years one year or more of service credit. The prorated service pension must be based on the service pension amount in effect for the relief association on the date volunteer firefighting services covered by that relief association terminate. To receive a service pension under this subdivision, the firefighter must become a member of the second or succeeding association and give notice of membership to the prior association within two years of termination of active service with the prior association. The notice must be attested to by the association secretary.

Sec. 7. Minnesota Statutes 1988, section 424A.10, is amended to read:

424A.10 [STATE SUPPLEMENTAL BENEFIT; VOLUNTEER FIREFIGHTERS.]

Subdivision 1. [DEFINITION.] For purposes of this section, "qualified recipient" means an individual who receives an involuntary a lump sum distribution of pension or retirement benefits from a firefighters' relief association for service performed as a volunteer firefighter.

Subd. 2. [PAYMENT OF SUPPLEMENTAL BENEFIT.] Upon the payment by a firefighters' relief association of an involuntary a lump sum distribution to a qualified recipient, the association must pay a supplemental benefit to the qualified recipient. Notwithstanding any law to the contrary, the relief association may pay the supplemental benefit out of its special fund. The amount of this benefit equals ten percent of the regular involuntary lump sum distribution that is paid on the basis of service as a volunteer firefighter. In no case may the amount of the supplemental benefit exceed \$1,000.

Subd. 3. [STATE REIMBURSEMENT.] By February 15 of each year, the relief association shall apply to the commissioner of revenue for state reimbursement of the amount of supplemental benefits paid under subdivision 2 during the preceding calendar year. By March 15 the commissioner shall reimburse the relief association for the amount of the supplemental benefits paid to qualified recipients. The commissioner of revenue shall prescribe the form of and supporting information that must be supplied as part of the application for state reimbursement. The reimbursement payment must be deposited in the special fund of the relief association.

Subd. 4. [IN LIEU OF INCOME TAX EXCLUSION.] The supplemental benefit provided by this section is in lieu of the state income tax exclusion for involuntary lump sum distributions of retirement benefits paid to volunteer firefighters. If the law is modified to exclude or exempt volunteer firefighters' lump sum distributions from state income taxation, the supplemental benefits under this section may no longer be paid beginning with the first calendar year in which the exclusion or exemption is effective. This subdivision does not apply to exemption of all or part of a lump sum distribution under section 290.032 or 290.0802.

Sec. 8. [REPEALER.]

Minnesota Statutes 1988, section 424A.01, subdivision 3a, is repealed.

ARTICLE 11

LOCAL POLICE AND FIREFIGHTERS

Section 1. Minnesota Statutes 1988, section 353.64, is amended by adding a subdivision to read:

Subd. 9. [PENSION COVERAGE FOR CERTAIN SHERIFFS' ASSOCIATION EMPLOYEES.] A former member of the association who is an employee of the Minnesota sheriffs' association may elect to be a police and fire fund member with respect to service with the sheriffs' association, if written election to be covered is delivered to the board within 60 days after the effective date of this section or within 60 days after commencement of employment, whichever is later.

Employee and employer contributions for past service are the obligation of the employee, except that the Minnesota sheriffs' association may pay the employer contributions. The employer shall, in any event, deduct necessary future contributions from the employee's salary and remit all contributions to the association as required by this chapter.

Persons who become association members under this section shall not be eligible for election to the board of trustees.

Sec. 2. Laws 1955, chapter 151, section 13, as amended by Laws 1963, chapter 271, section 7; Laws 1971, chapter 549, section 2; Laws 1980, chapter 600, section 14; and Laws 1983, chapter 47, section 1, is amended to read:

Sec. 13. The association shall pay a pension to the surviving spouse or any child under 18 years of age of any pensioned and retired member, or to the surviving spouse or any child under 18 years of age of any member who dies while in the service of the city police department, or to the surviving spouse or any child under 18 years of age of any member who, after being a member of the city police department for not less than 20 years, severs his or her connection with the department, and dies before attaining the age of 50 years. The association shall pay to any such surviving spouse a pension of ~~20~~ not less than $22\frac{1}{2}$ units nor more than $27\frac{1}{2}$ units per month, as the bylaws of the association provide, subject to Minnesota Statutes, section 69.77, subdivision 2i. The association shall pay to any such child under 18 years of age a pension of five units per month until the child attains the age of 18 years, provided, however, that if such child is married at the time of the death of the member or marries or becomes legally adopted after the death of the member, the child shall not be entitled to such benefits. If the surviving spouse and children reside together, the pension payable to the children shall be paid to the surviving spouse and shall be used for the support of the children. If a surviving spouse remarries, the pension immediately ceases and the association shall not make any further pension payments; provided further that if the remarriage terminates for any reason, the surviving spouse, whose benefit terminated solely because of remarriage, shall be entitled upon reapplication to a surviving spouse's benefit; provided, however, that such person shall not be entitled to retroactive payments for any period of time, prior to the effective date of this act or reapplication, whichever is later. For the purposes of this section, all provisions governing a child under 18 shall be extended to include a full time student under the age of 23.

Sec. 3. [AMENDMENT AUTHORIZED.]

Subdivision 1. [AUTHORIZATION.] Subject to Minnesota Statutes, section 69.77, subdivision 2i, the Mankato fire department relief association may amend its constitution and bylaws to provide for payment of disability benefits to active regular salaried firefighters who, because of medically determinable sickness or injury, are unable to perform their duties as firefighters, regardless of whether the sickness was caused in the performance of duty or the injury occurred while on duty.

Subd. 2. [REGULAR SALARIED FIREFIGHTER NONDUTY

DISABILITY BENEFIT AMOUNT.] The nonduty disability benefit for regular salaried firefighters must not exceed the amount of the duty disability benefit.

Sec. 4. Laws 1982, chapter 574, section 5, as amended by Laws 1985, chapter 261, section 16, is amended to read:

Sec. 5. [VIRGINIA POLICE; BENEFIT CHANGES FOR PARTICIPANTS.]

If the bylaws so authorize, the following changes shall be effective:

(a) The service pension payable to persons who retired from the police department on or before January 12, 1966, shall be supplemented by ~~\$100~~ \$200 per month.

(b) For any participant who terminated employment after 20 ~~or more~~ years of service, the amount of the monthly service pension payable after the participant has attained the age of at least 50 years shall be equal to ~~one-half~~ 50 percent of the prevailing pay of a police officer of the rank and position held by the participant for a period of at least six months prior to termination of service, or to the rank and position most analogous thereto, plus an additional one percent for each full year of service in excess of 20 years to a maximum of 60 percent, payable by the police department in each month during which the retired participant receives a service pension.

(c) The amount of a monthly disability pension shall be equal to one-half of the prevailing pay of a police officer of the rank and position held by the participant for a period of at least six months prior to his or her disability or the rank and position most analogous thereto, payable by the police department in each month during the period of the participant's disability, subject to any integration of benefits. Disability pensions payable for disabilities incurred on or before January 11, 1967, are increased by \$100 per month.

(d) The benefit paid to the surviving spouse of a participant who died on or before January 11, 1967, shall be increased by ~~\$50~~ \$100 per month, with benefits payable until the surviving spouse's death or remarriage.

(e) The benefit paid to a surviving child shall be increased to \$50 per child per month, subject to any limitation placed on the total amount of survivor's benefits.

Sec. 5. [MINNETONKA VOLUNTEER FIREFIGHTERS RELIEF ASSOCIATION; INCREASED NONFORFEITABLE SERVICE PENSION PERCENTAGE.]

Notwithstanding any provision of Minnesota Statutes, section

424A.02, subdivision 2, to the contrary, if the articles of incorporation or the bylaws of the relief association so provide, subject to Minnesota Statutes, section 424A.02, subdivision 10, the Minnetonka volunteer firefighters relief association may pay a service pension to a retiring member who meets the minimum age, service, and other requirements of Minnesota Statutes, section 424A.02, subdivision 1. The amount of the service pension is that portion of a service pension payable with 20 years of service that full years of service credited by the relief association bear to 20 years of service.

Sec. 6. [EVELETH POLICE AND FIREFIGHTERS; BENEFIT INCREASE.]

Notwithstanding any general or special law to the contrary, in addition to other benefits payable, retirement benefits payable to retired police officers and firefighters and their surviving spouses by the Eveleth police and fire trust fund may be increased by \$100 a month. Increases may be made retroactive to January 1, 1989.

Sec. 7. [BLOOMINGTON VOLUNTEER FIREFIGHTERS RELIEF ASSOCIATION; DUTY DISABILITY BENEFIT.]

Notwithstanding any provision of Minnesota Statutes, section 424A.02, subdivision 9, or any other law to the contrary, the Bloomington firefighters relief association may provide a duty disability benefit to a volunteer firefighter who:

(1) becomes disabled from a medically determinable injury or illness arising out of or occurring in the course of the line of duty;

(2) is not entitled to the immediate receipt of a service pension equal to the amount of a service pension payable to a retiring firefighter with 20 years of service; and

(3) complies with any other requirement specified in the bylaws of the association.

The duty disability benefit must be equal to the amount of the service pension payable to a retiring firefighter with 20 years of service.

A Bloomington volunteer firefighter who has received a duty-related disability benefit and who returns to active firefighting duties with the Bloomington fire department must accrue service credit towards a service pension for the period of the receipt of the duty-related disability benefit.

Sec. 8. [NONDUTY DISABILITY BENEFIT.]

The Bloomington firefighters relief association may provide a

volunteer firefighter who becomes disabled from an injury or illness not arising out of or not occurring in the course of the line of duty with a disability benefit as the bylaws of the relief association specify, subject to the provisions of Minnesota Statutes, section 424A.02, subdivision 9.

Sec. 9. Laws 1965, chapter 446, section 2, is amended to read:

Sec. 2. [DUTY-RELATED DEATH SURVIVOR BENEFITS.]

Notwithstanding Minnesota Statutes, section 424A.02, subdivision 9, or any other provision of law to the contrary and in lieu of the widows pension surviving spouse benefit provided in Minnesota Statutes, Section 424.24, the firemen's firefighters relief association in the city of Bloomington may provide a pension surviving spouse benefit to the widow surviving spouse of a volunteer fireman firefighter who dies as the result of an injury or illness arising out of or in the course of the line of duty, if the surviving spouse qualifies under the terms of Minnesota Statutes, Section 424.24, of not more than a sum. The surviving spouse benefit must not exceed an amount equal to one fourth of the salary as payable from time to time during the period of pension payment to policemen of the highest grade, not including officers of the police department, in the employ of the city, such pension to three-quarters of the amount of the service pension payable to a retiring firefighter with 20 years of service. The surviving spouse benefit must be paid as the bylaws of the association provide for her natural life; provided that if she remarries, such pension shall upon remarriage, the surviving spouse benefit must cease to accrue and terminate as of the date of her remarriage.

In event If there is a surviving child or there are surviving children of a deceased firefighter who suffered a duty-related death as provided in Minnesota Statutes, Section 424.24, the firemen's relief association of the city of Bloomington may provide for a pension of not more than four percent of the monthly salary as payable from time to time during the period of pension payment to policemen of the highest grade, not including officers of the department, in the employ of the city, surviving child benefit. The surviving child benefit must not exceed an amount equal to 12 percent of the amount of the service pension payable to a retiring firefighter with 20 years of service for each child up to the time each child reaches the age of not less than 16 years or more than 18 years as the bylaws of the association provide; provided, The total pension hereunder survivor benefits for the widow surviving spouse and children of the deceased member shall not exceed one third of the monthly salary of a policeman of the highest grade, not including officers of the police department, in the employ of the municipality the amount of the service pension payable to a retiring firefighter with 20 years of service during the period of the pension payment.

Sec. 10. Laws 1965, chapter 446, section 3, is amended to read:

Sec. 3. [DUTY-RELATED DEATH SURVIVING CHILD BENEFITS IN CERTAIN INSTANCES.] The firemen's Bloomington firefighters relief association of the city of Bloomington may provide a pension surviving child benefit for the child or the children of a deceased members member with a duty-related death after the death of their mothers the surviving spouse, of such the amount as the board of trustees of the association shall deem considers necessary to properly support such the child or the children until they reach an the age of not more than 18, as the bylaws of the association provide; provided. The total pension hereunder surviving child benefit for the child or the children of the deceased member shall not exceed a sum an amount equal to one third of the monthly salary of a policeman of the highest grade, not including officers of the police department, in the employ of the municipality the amount of the service pension payable to a retiring firefighter with 20 years of service during the period of the pension survivor benefit payment.

Sec. 11. [NONDUTY-RELATED DEATH SURVIVOR BENEFITS.]

The Bloomington firefighters relief association may provide the surviving spouse, surviving child or surviving children of a volunteer firefighter who dies from an injury or illness not arising out of or not occurring in the course of the line of duty with a survivor benefit as the bylaws of the relief association specify, subject to the provisions of Minnesota Statutes, section 424A.02, subdivision 9.

Sec. 12. [BYLAW AMENDMENT.]

The St. Paul police relief association and the St. Paul fire department relief association shall amend their articles of incorporation and bylaws to ensure that retired members of the police department and fire department are represented on the board of directors of the St. Paul police relief association and the board of trustees of the St. Paul fire department relief association in the same proportion that the number of retired members in each relief association bears to the total membership of each relief association. However, retired members of the St. Paul police relief association and the St. Paul fire department relief association are never entitled under the articles of incorporation or bylaws to more seats on the board of directors than the active members of the respective associations.

Sec. 13. [REPEALER.]

Laws 1967, chapter 815; Laws 1978, chapter 683; and Laws 1981, chapter 224, sections 2 and 5, are repealed.

Sec. 14. [EFFECTIVE DATES.]

Subdivision 1. Section 2 is effective upon approval by the St. Paul city council and compliance with Minnesota Statutes, section 645.021, subdivision 3.

Subd. 2. Section 3 is effective upon approval by the Mankato city council and compliance with Minnesota Statutes, section 645.021, subdivision 3.

Subd. 3. Section 4 is effective upon approval by the Virginia city council and compliance with Minnesota Statutes, section 645.021, subdivision 3.

Subd. 4. Section 5 is effective upon approval by the governing body of the city of Minnetonka and compliance with Minnesota Statutes, section 645.021, subdivision 3.

Subd. 5. Section 6 is effective upon approval by the Eveleth city council and compliance with Minnesota Statutes, section 645.021, subdivision 3.

Subd. 6. Sections 7 to 11 are effective upon approval by the governing body of the city of Bloomington and compliance with Minnesota Statutes, section 645.021, subdivision 3.

Subd. 7. Sections 12 and 13 are effective the day following final enactment.

Subd. 8. Section 1 is effective July 1, 1989.

ARTICLE 12

HIGHER EDUCATION SUPPLEMENTAL PLAN

Section 1. Minnesota Statutes 1988, section 136.80, subdivision 1, is amended to read:

Subdivision 1. A The supplemental retirement plan for personnel employed by the state university board and the state board for community colleges who are in the unclassified service of the state commencing July 1 following the completion of the second year of their full time contract is hereby established and shall be governed pursuant to sections 136.81 to 136.85. ~~Any~~ An unclassified employee who is employed by the state university board or the state board for community colleges in subsidized on-the-job training, work experience, or public service employment as an enrollee under the federal comprehensive employment and training act shall may not be

included in the supplemental retirement plan provided for in sections 136.81 to 136.85 from and after March 30, 1978, unless the unclassified employee has as of the later of March 30, 1978, or the date of employment sufficient service credit in the retirement fund providing primary retirement coverage to meet the minimum vesting requirements for a deferred retirement annuity, or the board agrees in writing to make the employer contribution required by section 136.81 on account of that unclassified employee from revenue sources other than funds provided under the federal comprehensive employment and training act, or the unclassified employee agrees in writing to make the employer contribution required by section 136.81 in addition to the member contribution.

Sec. 2. Minnesota Statutes 1988, section 136.81, subdivision 1, is amended to read:

Subdivision 1. [DEDUCTIONS.] There shall be deducted The state university board and the state board for community colleges shall deduct from the salary of each person described in section 136.80, subdivision 1, a sum equal to five percent of the portion of the person's annual salary paid between above \$6,000 and \$15,000. The deduction is to must be made in the same manner as other retirement deductions are made from the salary of the person only after the first \$6,000 has been paid in a fiscal year. The state employer shall make a contribution to the plan on behalf of every covered person in an amount equal to the deductions made from the salary of the person, but not to exceed \$450 a year unless an amount greater than \$450, but not to exceed \$2,000 a year, is specified in an agreement between a board and the exclusive representative of the persons employed by the board and described in section 136.80, subdivision 1. The moneys so money deducted and the state contribution shall must be deposited to the credit of the state university and community college supplemental retirement plan account of the teachers retirement fund. The account is hereby established and shall must be separate and distinct from other funds, accounts, or assets of the teachers retirement fund. The money required to meet the obligation of the state employer as provided in this subdivision shall must be contributed to the executive director of the teachers retirement association by the state employer.

Any Deductions which are taken from the salary of a person for the supplemental retirement plan in error shall must, upon discovery and verification, be refunded to the person. The retirement board shall establish a reserve which shall reflect reflecting any gains or losses realized due to the purchase and redemption of shares representing salary deductions and state employer contributions which were made in error. The balance of the reserve shall must be credited annually to the cancellation reserve established pursuant to under section 136.82, subdivision 1, clause (5).

If any payroll deductions which are required pursuant to under

this section are omitted, the deductions shall must be remitted to the supplemental retirement plan investment account of the teachers retirement association within one year from the end of the fiscal year in which the deductions were due, and, at the time of the receipt of the omitted deductions, the required state contribution shall then must be made.

Sec. 3. Minnesota Statutes 1988, section 356.24, is amended to read:

356.24 [SUPPLEMENTAL PENSION OR DEFERRED COMPENSATION PLANS, RESTRICTIONS UPON GOVERNMENT UNITS.]

(a) It is unlawful for a school district or other governmental subdivision or state agency to levy taxes for, or contribute public funds to a supplemental pension or deferred compensation plan that is established, maintained, and operated in addition to a primary pension program for the benefit of the governmental subdivision employees other than:

(1) to a supplemental pension plan that was established, maintained, and operated before May 6, 1971;

(2) to a plan that provides solely for group health, hospital, disability, or death benefits, to the individual retirement account plan established by sections 354B.01 to 354B.04;

(3) to a plan that provides solely for severance pay under section 465.72 to a retiring or terminating employee; or

(4) for employees other than personnel employed by the state university board or the community college board and covered by section 136.80, subdivision 1, to the state of Minnesota deferred compensation plan under section 352.96, if provided for in a personnel policy or in the collective bargaining agreement of the public employer with the exclusive representative of public employees in an appropriate unit, in an amount matching employee contributions on a dollar for dollar basis, but not to exceed an employer contribution of \$2,000 a year per employee; or

(5) for personnel employed by the state university board or the community college board and covered by section 136.80, subdivision 1, to the supplemental retirement plan under sections 136.80 to 136.85, if provided for in a personnel policy or in the collective bargaining agreement of the public employer with the exclusive representative of the covered employees in an appropriate unit, in an amount matching employee contributions on a dollar for dollar basis, but not to exceed an employer contribution of \$2,000 a year for each employee.

(b) No change in benefits or employer contributions in a supplemental pension plan to which this section applies after May 6, 1971, is effective without prior legislative authorization.

ARTICLE 13 BENEFIT CHANGES

Section 1. Minnesota Statutes 1988, section 352.01, subdivision 19, is amended to read:

Subd. 19. [RETIREMENT.] "Retirement" means the time after a state employee is entitled to an accrued annuity, as defined in subdivision 21, payable under an application for annuity filed in the office of the system as provided in section 352.115, subdivision 8 or, in the case of an employee who has received a disability benefit, when that employee reaches normal retirement age 65.

Sec. 2. Minnesota Statutes 1988, section 352.01, is amended by adding a subdivision to read:

Subd. 25. [NORMAL RETIREMENT AGE.] "Normal retirement age" means age 65 for a person who first became a covered employee before July 1, 1989. For a person who first becomes a covered employee after June 30, 1989, normal retirement age means the higher of age 65 or "retirement age," as defined in United States Code, title 42, section 416(l), as amended.

Sec. 3. Minnesota Statutes 1988, section 352.04, subdivision 2, is amended to read:

Subd. 2. [EMPLOYEE CONTRIBUTIONS.] The employee contribution to the fund must be equal to ~~3-73~~ . . . percent of salary, beginning with the first full pay period after June 30, ~~1984~~ 1989. These contributions must be made by deduction from salary as provided in subdivision 4.

Sec. 4. Minnesota Statutes 1988, section 352.04, subdivision 3, is amended to read:

Subd. 3. [EMPLOYER CONTRIBUTIONS.] The employer contribution to the fund must be equal to ~~3-90~~ . . . percent of salary beginning with the first full pay period after June 30, ~~1984~~ 1989.

Sec. 5. Minnesota Statutes 1988, section 352.113, subdivision 1, is amended to read:

Subdivision 1. [AGE AND SERVICE REQUIREMENTS.] Any employee covered by the system who is less than ~~65 years old~~ normal retirement age who becomes totally and permanently disabled after ~~five~~ three or more years of allowable service is entitled to a disability

benefit in an amount provided in subdivision 3. If the disabled employee's state service has terminated at any time, the employee must have at least ~~three~~ two years of allowable service after last becoming a state employee covered by the system.

Sec. 6. Minnesota Statutes 1988, section 352.113, subdivision 12, is amended to read:

Subd. 12. [RETIREMENT STATUS AT NORMAL RETIREMENT AGE 65.] The disability benefit paid to a disabled employee under this section ends when the employee reaches normal retirement age 65. If the disabled employee is still totally and permanently disabled when the employee reaches normal retirement age 65, the employee shall be considered to be a retired employee. If the employee had chosen an optional annuity under subdivision 3, the employee shall receive an annuity in accordance with the terms of the optional annuity previously chosen. If the employee had not chosen an optional annuity pursuant to subdivision 3, the employee may then choose to receive either a normal retirement annuity equal in amount to the disability benefit paid before the employee reached normal retirement age 65 or an optional annuity as provided in section 352.116, subdivision 3. The choice of an optional annuity must be made before reaching normal retirement age 65. If an optional annuity is chosen, the choice is effective on the date the employee ~~becomes 65 years old~~ attains normal retirement age and the optional annuity shall begin to accrue the first of the month following the month in which the employee attains 65 this age.

Sec. 7. Minnesota Statutes 1988, section 352.115, subdivision 1, is amended to read:

Subdivision 1. [AGE AND SERVICE REQUIREMENTS.] After separation from state service, any employee (1) who has attained the age of at least 55 years and who is entitled to credit for at least ~~five~~ three years allowable service, or (2) who has received credit for at least 30 years allowable service regardless of age, is entitled upon application to a retirement annuity.

Sec. 8. Minnesota Statutes 1988, section 352.115, subdivision 2, is amended to read:

Subd. 2. [AVERAGE SALARY.] The retirement annuity hereunder payable at normal retirement age 65 or thereafter must be computed in accordance with the applicable provisions of the formula stated in subdivision 3, on the basis of the employee's average salary for the period of allowable service. This retirement annuity is known as the "normal" retirement annuity.

For each year of allowable service, "average salary" of an employee in determining a retirement annuity means the average of the highest five successive years of salary upon which the employee has

made contributions to the retirement fund by payroll deductions. Average salary must be based upon all allowable service if this service is less than five years.

“Average salary” does not include the payment of accrued unused annual leave or overtime paid at time of final separation from state service if paid in a lump sum nor does it include the reduced salary, if any, paid during the period the employee is entitled to workers’ compensation benefit payments for temporary disability.

Sec. 9. Minnesota Statutes 1988, section 352.115, subdivision 3, is amended to read:

Subd. 3. [RETIREMENT ANNUITY FORMULA.] (a) This paragraph, in conjunction with section 352.116, subdivision 1, applies to a person who became a covered employee before July 1, 1989, unless paragraph (b), in conjunction with section 352.116, subdivision 1a, produces a higher annuity amount, in which case paragraph (b) will apply. The employee’s average salary, as defined in subdivision 2, multiplied by one percent per year of allowable service for the first ten years and 1.5 percent for each later year of allowable service and pro rata for completed months less than a full year shall determine the amount of the retirement annuity to which the employee is entitled.

(b) This paragraph applies to a person who first became a covered employee after June 30, 1989, and to any other employee whose annuity amount, when calculated under this paragraph and in conjunction with section 352.116, subdivision 1a, is higher than it is when calculated under paragraph (a), in conjunction with section 352.116, subdivision 1. The employee’s average salary, as defined in subdivision 2, multiplied by 1.5 percent for each year of allowable service and pro rata for months less than a full year shall determine the amount of the retirement annuity to which the employee is entitled.

Sec. 10. Minnesota Statutes 1988, section 352.116, is amended to read:

352.116 [ANNUITIES UPON RETIREMENT.]

Subdivision 1. [REDUCED ANNUITY BEFORE NORMAL RETIREMENT AGE 65.] This subdivision applies only to a person who first became a covered employee before July 1, 1989, and whose annuity is higher when calculated under section 352.115, subdivision 3, paragraph (a), in conjunction with this subdivision than when calculated under section 352.115, subdivision 3, paragraph (b), in conjunction with subdivision 1a.

(a) Any employee who is eligible for a retirement annuity under

section 352.115, subdivision 1, and who retires before normal retirement age 65 with credit for less than at least three but less than 30 years of allowable service shall be paid the normal retirement annuity provided in section 352.115, subdivisions 2 and 3, paragraph (a), reduced so that the reduced annuity is the actuarial equivalent of the annuity that would be payable to by one-quarter of one percent for each month that the employee if the employee deferred receipt of the annuity from the day the annuity begins to accrue to is under normal retirement age 65 at the time of retirement. Any An employee who is eligible for a retirement annuity under section 352.115, subdivision 1, and who retires prior to age 62 with credit for at least 30 years of allowable service shall be paid the normal retirement annuity provided in section 352.115, subdivisions 2 and 3, paragraph (a), reduced so that the reduced annuity is the actuarial equivalent of the annuity that would be payable to the employee if the employee deferred receipt of the annuity from the day the annuity begins to accrue to by one-quarter of one percent for each month that the employee is under age 62 at the time of retirement.

(b) Any person whose attained age plus credited allowable service totals 90 years is entitled, upon application, to a retirement annuity in an amount equal to the normal annuity provided in section 352.115, subdivisions 2 and 3, paragraph (a), without any reduction by reason of early retirement.

Subd. 1a. [ACTUARIAL REDUCTION FOR EARLY RETIREMENT.] This subdivision applies to a person who first became a covered employee after June 30, 1989, and to any other employee whose annuity is higher when calculated under section 352.115, subdivision 3, paragraph (b), in conjunction with this subdivision than when calculated under section 352.115, subdivision 3, paragraph (a), in conjunction with subdivision 1. An employee who retires before the normal retirement age shall be paid the normal retirement annuity provided in section 352.115, subdivisions 2 and 3, paragraph (b), reduced so that the reduced annuity is the actuarial equivalent of the annuity that would be payable to the employee if the employee deferred receipt of the annuity and the annuity amount were augmented at an annual rate of three percent compounded annually from the day the annuity begins to accrue until the normal retirement age.

Subd. 2. [NORMAL ANNUITY AT NORMAL RETIREMENT AGE 65.] Any employee who retires after reaching normal retirement age 65 shall be paid the annuity provided in section 352.115.

Subd. 3. [OPTIONAL ANNUITIES.] The board shall establish an optional retirement annuity in the form of a joint and survivor annuity. The board may also establish an optional annuity in the form of an annuity payable for a period certain and for life thereafter or establish an optional annuity which takes the form of a joint and

survivor annuity providing that, if after the joint and survivor annuity becomes payable, the person with the designated remainder interest in the annuity dies before the former member, the annuity amount must be reinstated to a normal single life annuity amount as of the first day of the month after the day the person dies. In addition, the board may also establish an optional annuity that takes the form of an annuity calculated on the basis of the age of the retired employee at retirement and payable for the period before the retired employee becomes eligible for social security old age retirement benefits in a greater amount than the amount of the annuity calculated under subdivision 2 on the basis of the age of the retired employee at retirement but equal so far as possible to the social security old age retirement benefit and the adjusted retirement annuity amount payable immediately after the retired employee becomes eligible for social security old age retirement benefits and payable for the period after the retired employee becomes eligible for social security old age retirement benefits in an amount less than the amount of the annuity calculated under subdivisions 2 and 3. The social security leveling option may be calculated based on broad average social security old age retirement benefits. Except as provided in subdivision 3a, the optional forms must be actuarially equivalent to the normal single life annuity forms provided in sections 352.115 and 352.116, whichever applies.

Subd. 3a. [BOUNCE-BACK ANNUITY.] (a) If a retired employee or disabilitant selects a joint and survivor annuity option under subdivision 3, the retired employee or disabilitant must receive a normal single-life annuity if the designated optional annuity beneficiary dies before the retired employee or disabilitant. Under this option, no reduction may be made in the annuity to provide for restoration of the normal single-life annuity in the event of the death of the designated optional annuity beneficiary.

(b) A retired employee or disabilitant who selected an optional joint and survivor annuity before July 1, 1989, but did not choose an option that provides that the normal single-life annuity is payable to the retired employee or the disabilitant if the designated optional annuity beneficiary dies first, is eligible for restoration of the normal single-life annuity if the designated optional annuity beneficiary dies first, without further actuarial reduction of the person's annuity. A retired employee or disabilitant who selected an optional joint and survivor annuity, but whose designated optional annuity beneficiary died before July 1, 1989, shall receive a normal single-life annuity after that date, but shall not receive retroactive payments for periods before that date.

(c) A retired employee or disabilitant who took a further actuarial reduction to elect an optional joint and survivor annuity that provides that the normal annuity is payable to the retired employee or disabilitant if the designated optional beneficiary died before July 1, 1989, shall have the annuity increased as of July 1, 1989, to

the amount the person would have received if, at the time of retirement or disability, the person had selected only optional survivor coverage that would not have provided for restoration of the normal annuity upon the death of the designated optional annuity beneficiary. Any annuity or benefit increase under this paragraph is effective only for payments made after June 30, 1989, and is not retroactive for payments made before July 1, 1989.

Subd. 4. [DETERMINING ACTUARIAL EQUIVALENCY.] In establishing the procedure for determining the actuarial equivalence of early retirement annuities as required under subdivision 1a or in establishing actuarial equivalent optional retirement annuity forms as required under subdivision 3, the board shall obtain the written recommendation of the commission-retained actuary. The recommendations shall be a part of the permanent records of the board.

Sec. 11. Minnesota Statutes 1988, section 352.12, subdivision 1, is amended to read:

Subdivision 1. [DEATH BEFORE TERMINATION OF SERVICE.] If an employee dies before state service has terminated and neither a survivor annuity nor a reversionary annuity is payable, or if a former employee who has sufficient service credit to be entitled to an annuity dies before the benefit has become payable, the director shall make a refund to the last designated beneficiary or, if there is none, to the surviving spouse or, if none, to the employee's surviving children in equal shares or, if none, to the employee's surviving parents in equal shares or, if none, to the representative of the estate in an amount equal to the accumulated employee contributions plus interest thereon to the date of death at the rate of ~~five~~ six percent per annum compounded annually. Upon the death of an employee who has received a refund that was later repaid in full, interest must be paid on the repaid refund only from the date of repayment. If the repayment was made in installments, interest must be paid only from the date installment payments began. The designated beneficiary, surviving spouse, or representative of the estate of an employee who had received a disability benefit is not entitled to interest upon any balance remaining to the decedent's credit in the fund at the time of death.

Sec. 12. Minnesota Statutes 1988, section 352.12, subdivision 2, is amended to read:

Subd. 2. [SURVIVING SPOUSE BENEFIT.] If an employee or former employee is at least 50 years old and has credit for at least five ~~three~~ years allowable service or who has credit for at least 30 years of allowable service, regardless of age, dies before an annuity or disability benefit has become payable, notwithstanding any designation of beneficiary to the contrary, the surviving spouse of the employee may elect to receive, in lieu of the refund with interest

provided in subdivision 1, an annuity equal to the joint and 100 percent survivor annuity which the employee could have qualified for had the employee terminated service on the date of death. The surviving spouse may apply for the annuity at any time after the date on which the deceased employee would have attained the required age for retirement based on the employee's allowable service. The annuity must be computed as provided in sections 352.115, subdivisions 1, 2, and 3, and 352.116, subdivisions 1, 1a, and 3. Sections 352.22, subdivision 3, and 352.72, subdivision 2, apply to a deferred annuity payable under this subdivision. The annuity must cease with the last payment received by the surviving spouse in the lifetime of the surviving spouse. An amount equal to the excess, if any, of the accumulated contributions credited to the account of the deceased employee in excess of the total of the benefits paid and payable to the surviving spouse must be paid to the deceased employee's last designated beneficiary or, if none, to the surviving children of the deceased spouse in equal shares or, if none, to the surviving parents of the deceased spouse or, if none, to the representative of the estate of the deceased spouse. Any employee may request in writing that this subdivision not apply and that payment be made only to a designated beneficiary as otherwise provided by this chapter.

Sec. 13. Minnesota Statutes 1988, section 352.12, subdivision 6, is amended to read:

Subd. 6. [DEATH AFTER SERVICE TERMINATION.] Except as provided in subdivision 1, if a former employee covered by the system dies and has not received an annuity, a retirement allowance, or a disability benefit, a refund must be made to the last designated beneficiary or, if there is none, to the surviving spouse or, if none, to the employee's surviving children in equal shares or, if none, to the employee's surviving parents in equal shares or, if none, to the representative of the estate in an amount equal to accumulated employee contributions. The refund must include interest at the rate of five six percent per year compounded annually. The interest must be computed to the first day of the month in which the refund is processed and be based on fiscal year balances.

Sec. 14. Minnesota Statutes 1988, section 352.22, subdivision 2, is amended to read:

Subd. 2. [AMOUNT OF REFUND.] Except as provided in subdivision 3, any person who ceased to be a state employee after June 30, 1973, by reason of termination of state service shall receive a refund in an amount equal to employee accumulated contributions plus interest at the rate of five six percent per year compounded annually. Interest must be computed to the first day of the month in which the refund is processed and must be based on fiscal year balances.

Sec. 15. Minnesota Statutes 1988, section 352.22, subdivision 3, is amended to read:

Subd. 3. [DEFERRED ANNUITY.] (a) Any employee with at least ~~five~~ three years of allowable service when termination occurs may elect to leave the accumulated contributions in the fund and thereby be entitled to a deferred retirement annuity. This annuity must be computed as provided by the law in effect when state service terminated, on the basis of allowable service before termination of service.

(b) An employee on layoff or on leave of absence without pay, except a leave of absence for health reasons, who does not return to state service shall have any annuity, deferred annuity, or other benefit to which the employee may become entitled computed under the law in effect on the last working day.

(c) No application for a deferred annuity shall be made more than 60 days before the time the former employee reaches the required age for entitlement to the payment of the annuity. The deferred annuity shall begin to accrue no earlier than 60 days before the date the application is filed in the office of the system, but not (1) before the date the employee reaches the required age for entitlement to the annuity nor (2) before the day following the termination of state service in a position not covered by the retirement system nor (3) before the day following the termination of employment in a position that requires the employee to be a member of either the public employees retirement association or the teachers retirement association.

(d) Application for the accumulated contributions left on deposit with the fund may be made at any time after 30 days following the date of termination of service.

Sec. 16. Minnesota Statutes 1988, section 352.72, subdivision 1, is amended to read:

Subdivision 1. [ENTITLEMENT TO ANNUITY.] (a) Any person who has been an employee covered by a retirement system listed in paragraph (b) is entitled when qualified to an annuity from each fund if total allowable service in all funds or in any two of these funds totals five three or more years.

(b) This section applies to the Minnesota state retirement system, the public employees retirement association including the public employees retirement association police and firefighters fund, the teachers retirement association, the state patrol retirement association, or any other public employee retirement system in the state with a similar provision, except as noted in paragraph (c).

(c) This section does not apply to other funds providing benefits for police officers or firefighters.

(d) No portion of the allowable service upon which the retirement annuity from one fund is based shall be again used in the computation for benefits from another fund. No refund may have been taken from any one of these funds since service entitling the employee to coverage under the system or the employee's membership in any of the associations last terminated. The annuity from each fund must be determined by the appropriate provisions of the law except that the requirement that a person must have at least five three years allowable service in the respective system or association does not apply for the purposes of this section if the combined service in two or more of these funds equals five three or more years.

Sec. 17. Minnesota Statutes 1988, section 352.72, subdivision 2, is amended to read:

Subd. 2. [COMPUTATION OF DEFERRED ANNUITY.] The deferred annuity, if any, accruing under subdivision 1, or section 352.22, subdivision 3, must be computed as provided in section 352.22, subdivision 3, on the basis of allowable service before termination of state service and augmented as provided herein. The required reserves applicable to a deferred annuity or to an annuity for which a former employee was eligible but had not applied or to any deferred segment of an annuity must be determined as of the date the benefit begins to accrue and augmented by interest compounded annually from the first day of the month following the month in which the employee ceased to be a state employee, or July 1, 1971, whichever is later, to the first day of the month in which the annuity begins to accrue. The rates of interest used for this purpose must be five percent compounded annually until January 1, 1981, and after ~~that date~~ three percent compounded annually thereafter until January 1 of the year following the year in which the former employee attains age 55. From that date to the effective date of retirement, the rate is five percent compounded annually. If a person has more than one period of uninterrupted service, the required reserves related to each period must be augmented by interest under this subdivision. The sum of the augmented required reserves so determined is the present value of the annuity. "Uninterrupted service" for the purpose of this subdivision means periods of covered employment during which the employee has not been separated from state service for more than two years. If a person repays a refund, the service restored by the repayment must be considered continuous with the next period of service for which the employee has credit with this system. The formula percentages used for each period of uninterrupted service must be those applicable to a new employee. The mortality table and interest assumption used to compute the annuity must be those in effect when the employee

files application for annuity. This section shall not reduce the annuity otherwise payable under this chapter.

Sec. 18. Minnesota Statutes 1988, section 352.72, subdivision 5, is amended to read:

Subd. 5. [EARLY RETIREMENT.] The requirements and provisions for retirement before normal retirement age 65 in sections 352.115, subdivision 1, and 352.116 also apply to an employee fulfilling the requirements with a combination of service as provided in subdivision 1.

Sec. 19. Minnesota Statutes 1988, section 352.85, subdivision 1, is amended to read:

Subdivision 1. [ELIGIBILITY; RETIREMENT ANNUITY.] Any person who is employed by the department of military affairs other than as a full-time firefighter, who is covered by the general employee retirement plan of the system as provided in section 352.01, subdivision 23, who is ordered to active duty under section 190.08, subdivision 3, who elects this special retirement coverage under subdivision 4, who is required to retire from federal military status at an age earlier than normal retirement age 65 by applicable federal laws or regulations and who terminates employment as a state employee upon attaining that mandatory retirement age is entitled, upon application, to a retirement annuity computed in accordance with section 352.115, subdivisions 2 and 3, without any reduction for early retirement under section 352.116, subdivision 1 or la.

Sec. 20. Minnesota Statutes 1988, section 352.93, subdivision 1, is amended to read:

Subdivision 1. [BASIS OF ANNUITY; WHEN TO APPLY.] After separation from state service an employee covered under section 352.91 who has reached age 55 years and has credit for at least five three years of covered correctional service and regular Minnesota state retirement system service is entitled upon application to a retirement annuity under this section based only on covered correctional employees' service. Application may be made no earlier than 60 days before the date the employee is eligible to retire by reason of both age and service requirements.

In this section, "average salary" means the average of the monthly salary during the employees' highest five successive years of salary as an employee covered by the Minnesota state retirement system. Average salary must be based upon all allowable service if this service is less than five years.

Sec. 21. Minnesota Statutes 1988, section 352.93, subdivision 3, is amended to read:

Subd. 3. [PAYMENTS; DURATION AND AMOUNT.] The annuity under this section shall begin to accrue as provided in section 352.115, subdivision 8, and must be paid for an additional 84 full calendar months or to the first of the month following the month in which the employee becomes attains normal retirement age 65, whichever occurs first, except that payment must not cease before the first of the month following the month in which the employee becomes 62. It must then be reduced to the amount as calculated under section 352.115, except that if this amount, when added to the social security benefit based on state service the employee is eligible to receive at the time, is less than the benefit payable under subdivision 2, the retired employee shall receive an amount that when added to the social security benefit will equal the amount payable under subdivision 2.

When an annuity is reduced under this subdivision, the percentage adjustments, if any, that have been applied to the original annuity under section 11A.18, before the reduction, must be compounded and applied to the reduced annuity. A former correctional employee employed by the state in a position covered by the regular plan between the ages age of 58 and 65 normal retirement age shall receive a partial return of correctional contributions at retirement with five six percent interest based on the following formula:

Employee contributions contributed as a correctional employee in excess of the contributions the employee would have contributed as a regular employee	X	Years and complete months of regular service between ages <u>age 58 and 65 the normal retirement age</u> 7 <u>number of years between age 58 and normal retirement age</u>
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Sec. 22. Minnesota Statutes 1988, section 352.95, subdivision 2, is amended to read:

Subd. 2. [NONJOB-RELATED DISABILITY.] Any covered correctional employee who, after at least five three years of covered correctional service, before reaching the age of 55 becomes disabled and physically unfit to perform the duties of the position because of sickness or injury occurring while not engaged in covered employment, is entitled to a disability benefit based on covered correctional service only. The disability benefit must be computed as provided in section 352.93, subdivisions 1 and 2, and computed as though the employee had at least ten years of covered correctional service.

Sec. 23. Minnesota Statutes 1988, section 352.95, subdivision 5, is amended to read:

Subd. 5. [RETIRED STATUS AT NORMAL RETIREMENT AGE 65.] The disability benefit paid to a disabled correctional employee under this section shall terminate at the end of the month in which the employee reaches age 62. If the disabled correctional employee is still disabled when the employee reaches age 62, the employee shall be deemed to be a retired employee. If the employee had elected an optional annuity under subdivision 1a, the employee shall receive an annuity in accordance with the terms of the optional annuity previously elected. If the employee had not elected an optional annuity under subdivision 1a, the employee may then either elect to receive a normal retirement annuity computed in the manner provided in section 352.115 or elect to receive an optional annuity as provided in section 352.116, subdivision 3, based on the same length of service as used in the calculation of the disability benefit. Election of an optional annuity must be made before reaching age 62. The reduction for retirement before normal retirement age 65 as provided in section 352.116, subdivision 1 or 1a, does not apply. The savings clause provision of section 352.93, subdivision 3, applies. If an optional annuity is elected, the optional annuity shall begin to accrue on the first of the month following the month in which the employee reaches age 62.

Sec. 24. Minnesota Statutes 1988, section 352B.01, subdivision 11, is amended to read:

Subd. 11. [AVERAGE SALARY.] "Average monthly salary" means the average of the highest monthly salaries for five years of service as a member. Average monthly salary must be based upon all allowable service if this service is less than five years. It does not include any amounts of severance pay or any reduced salary paid during the period the person is entitled to workers' compensation benefit payments for temporary disability.

Sec. 25. Minnesota Statutes 1988, section 352B.08, subdivision 1, is amended to read:

Subdivision 1. [WHO IS ELIGIBLE; WHEN TO APPLY; AC-CRUAL.] Every member who is credited with ~~five~~ three or more years of allowable service is entitled to separate from state service and upon becoming 55 years old, is entitled to receive a life annuity, upon separation from state service. Members shall apply for an annuity in a form and manner prescribed by the executive director. No application may be made more than 60 days before the date the member is eligible to retire by reason of both age and service requirements. An annuity begins to accrue no earlier than 90 days before the date the application is filed with the executive director.

Sec. 26. Minnesota Statutes 1988, section 352B.11, subdivision 1, is amended to read:

Subdivision 1. [REFUND OF PAYMENTS.] A member who has not received other benefits under this chapter is entitled to a refund of payments made by salary deduction, plus interest, if the member is separated, either voluntarily or involuntarily, from state service that entitled the member to membership. In the event of the member's death, the member's estate is entitled to the refund. Interest must be computed at the rate of ~~five~~ six percent a year, compounded annually. To receive a refund, the member must apply on a form prescribed by the executive director.

Sec. 27. Minnesota Statutes 1988, section 352B.11, subdivision 2, is amended to read:

Subd. 2. [DEATH; PAYMENT TO SPOUSE AND CHILDREN.] If a member serving actively as a member, a member receiving the disability benefit provided by section 352B.10, subdivision 1, or a former member receiving a disability benefit as provided by section 352B.10, subdivision ~~3~~ 2, dies from any cause, the surviving spouse and dependent children are entitled to benefit payments as follows:

(a) A member with at least ~~five~~ three years of allowable service or a former member with at least 20 years of allowable service is deemed to have elected a 100 percent joint and survivor annuity payable to a surviving spouse only on or after the date the member or former member became or would have become 55.

(b) The surviving spouse of a member who had credit for less than ~~five~~ three years of service shall receive, for life, a monthly annuity equal to 20 percent of that part of the average monthly salary of the member from which deductions were made for retirement. If the surviving spouse remarries, the annuity shall cease as of the date of the remarriage.

(c) The surviving spouse of a member who had credit for at least ~~five~~ three years service and who died after attaining 55 years of age, may elect to receive a 100 percent joint and survivor annuity, for life, notwithstanding a subsequent remarriage, in lieu of the annuity prescribed in paragraph (b).

(d) The surviving spouse of any member who had credit for ~~five~~ three years or more and who was not 55 years of age at death, shall receive the benefit equal to 20 percent of the average monthly salary as described in clause (b) until the deceased member would have reached the age of 55 years, and beginning the first of the month following that date, may elect to receive the 100 percent joint and survivor annuity. If the surviving spouse remarries before the deceased member's 55th birthdate, benefits or annuities shall cease

as of the date of remarriage. Remarriage after the deceased member's 55th birthday shall not affect the payment of the benefit.

(e) Each dependent child shall receive a monthly annuity equal to ten percent of that part of the average monthly salary of the former member from which deductions were made for retirement. A dependent child over 18 and under 22 years of age also may receive the monthly benefit provided in this section, if the child is continuously attending an accredited school as a full-time student during the normal school year as determined by the director. If the child does not continuously attend school but separates from full-time attendance during any part of a school year, the annuity shall cease at the end of the month of separation. In addition, a payment of \$20 per month shall be prorated equally to surviving dependent children when the former member is survived by one or more dependent children. Payments for the benefit of any qualified dependent child must be made to the surviving spouse, or if there is none, to the legal guardian of the child. The maximum monthly benefit must not exceed 40 percent of the average monthly salary for any number of children.

(f) If the member dies under circumstances that entitle the surviving spouse and dependent children to receive benefits under the workers' compensation law, the workers' compensation benefits received by them must not be deducted from the benefits payable under this section.

(g) The surviving spouse of a deceased former member who had credit for five three or more years of allowable service, but not the spouse of a former member receiving a disability benefit under section 352B.10, subdivision 3, is entitled to receive the 100 percent joint and survivor annuity at the time the deceased member would have reached the age of 55 years, if the surviving spouse has not remarried before that date. If a former member dies who does not qualify for other benefits under this chapter, the surviving spouse or, if none, the children or heirs are entitled to a refund of the accumulated deductions left in the fund plus interest at the rate of five six percent per year compounded annually.

Sec. 28. Minnesota Statutes 1988, section 352B.30, subdivision 1, is amended to read:

Subdivision 1. [ENTITLEMENT TO ANNUITY.] Any person who has been an employee covered by the Minnesota state retirement system, or a member of the public employees retirement association including the public employees retirement association police and firefighters' fund, or the teachers retirement association, or the state patrol retirement fund, or any other public employee retirement system in Minnesota having a like provision but excluding all other funds providing benefits for police or firefighters is entitled when qualified to an annuity from each fund if total allowable service in

all funds or in any two of these funds totals five three or more years. No part of the allowable service upon which the retirement annuity from one fund is based may again be used in the computation for benefits from another fund. The member must not have taken a refund from any one of these funds since service entitling the member to coverage under the system or membership in any of the associations last terminated. The annuity from each fund must be determined by the appropriate law except that the requirement that a person must have at least five three years allowable service in the respective system or association does not apply for the purposes of this section if the combined service in two or more of these funds equals five three or more years.

Sec. 29. Minnesota Statutes 1988, section 353.01, is amended by adding a subdivision to read:

Subd. 35. [NORMAL RETIREMENT AGE.] "Normal retirement age" means age 65 for a person who first became a public employee before July 1, 1989. For a person who first becomes a public employee after June 30, 1989, "normal retirement age" means the higher of age 65 or "retirement age," as defined in United States Code, title 42, section 416(l), as amended.

Sec. 30. Minnesota Statutes 1988, section 353.27, subdivision 2, is amended to read:

Subd. 2. [EMPLOYEE CONTRIBUTION.] The employee contribution shall be an amount (a) for a "basic member" equal to eight percent of total salary; and (b) for a "coordinated member" equal to four percent of total salary. These contributions shall be made by deduction from salary in the manner provided in subdivision 4. Where any portion of a member's salary is paid from other than public funds, such member's employee contribution shall be based on the total salary received from all sources.

Sec. 31. Minnesota Statutes 1988, section 353.29, subdivision 1, is amended to read:

Subdivision 1. [AGE AND ALLOWABLE SERVICE REQUIREMENTS.] Upon separation from public service any person who has attained the normal retirement age of at least 65 years and who received credit for not less than five three years of allowable service is entitled upon application to a retirement annuity. Such retirement annuity is known as the "normal" retirement annuity.

Sec. 32. Minnesota Statutes 1988, section 353.29, subdivision 2, is amended to read:

Subd. 2. [AVERAGE SALARY.] In calculating the annuity under subdivision 3, "average salary" means an amount equivalent to the

average of a member's highest salary upon which employee contributions were paid for any five successive years of allowable service, based on dates of salary periods as listed on salary deduction reports. Average salary must be based upon all allowable service if this service is less than five years. The five successive years average salary may not include any reduced salary paid during a period in which the employee is entitled to benefit payments from workers' compensation for temporary disability, unless the average salary is higher, including this period.

Sec. 33. Minnesota Statutes 1988, section 353.29, subdivision 3, is amended to read:

Subd. 3. [RETIEMENT ANNUITY FORMULA.] (a) This paragraph, in conjunction with section 353.30, subdivisions 1, 1a, 1b, and 1c, applies to any member who first became a public employee before July 1, 1989, unless paragraph (b), in conjunction with section 353.30, subdivision 5, produces a higher annuity amount, in which case paragraph (b) will apply. The average salary as defined in subdivision 2, multiplied by two percent for each year of allowable service for the first ten years and thereafter by 2.5 percent per year of allowable service and completed months less than a full year for the "basic member", and one percent for each year of allowable service for the first ten years and thereafter by 1.5 percent per year of allowable service and completed months less than a full year for the "coordinated member," shall determine the amount of the "normal" retirement annuity.

(b) This paragraph applies to a member who first became a public employee after June 30, 1989, and to any other member whose annuity amount, when calculated under this paragraph and in conjunction with section 353.30, subdivision 5, is higher than it is when calculated under paragraph (a), in conjunction with section 353.30, subdivisions 1, 1a, 1b, and 1c. The average salary, as defined in subdivision 2, multiplied by 2.5 percent for each year of allowable service and completed months less than a full year for a basic member and 1.5 percent per year of allowable service and completed months less than a full year for a coordinated member, shall determine the amount of the normal retirement annuity.

Sec. 34. Minnesota Statutes 1988, section 353.30, is amended to read:

353.30 [ANNUITIES UPON RETIREMENT.]

Subdivision 1. Upon separation from public service any person who first became a public employee before July 1, 1989, and who has attained the age of at least 58 years but not more than 65 years normal retirement age and who received credit for not less than 20 years of allowable service is entitled upon application to a retirement annuity in an amount equal to the normal annuity provided in

section 353.29, subdivisions 2 and 3, paragraph (a), reduced by one-quarter of one percent for each month that the member is under normal retirement age 65 at the time of retirement.

Subd. 1a. Any person who first became a public employee before July 1, 1989, and whose attained age plus credited allowable service totals 90 years is entitled upon application to a retirement annuity in an amount equal to the normal annuity provided in section 353.29, subdivisions 2 and 3, paragraph (a), without any reduction in annuity by reason of such early retirement.

Subd. 1b. Any person who first became a public employee before July 1, 1989, with 30 years or more of allowable service credit, who elects early retirement under subdivision 1, shall receive an annuity in an amount equal to the normal annuity provided under section 353.29, subdivisions 2 and 3, paragraph (a), reduced by one-quarter of one percent for each month that the member is under age 62 at the time of retirement.

Subd. 1c. Any person who first became a public employee before July 1, 1989, and who has received credit for at least 30 years of allowable service or any person who has attained the age of at least 55 years but not more than 65 years normal retirement age, and who has received credit for at least five three years of allowable service is entitled upon application to a retirement annuity in an amount equal to the normal annuity provided in section 353.29, subdivisions 2 and 3, paragraph (a), reduced by one-quarter of one percent for each month that the member is under normal retirement age 65 at the time of retirement, except that for any member who has 30 or more years of allowable service the reduction shall be applied only for each month that the member is under age 62 at the time of retirement.

Subd. 3. [OPTIONAL RETIREMENT ANNUITY FORMS.] The board of trustees shall establish optional annuities which shall take the form of a joint and survivor annuity. Except as provided in subdivision 3a, the optional annuity forms shall be actuarially equivalent to the forms provided in section 353.29 and subdivisions 1, 1a, 1b, and 1c of this section, and 5. In establishing those optional forms, the board shall obtain the written recommendation of the commission-retained actuary. The recommendations shall be a part of the permanent records of board. A member or former member may select an optional form of annuity in lieu of accepting any other form of annuity which might otherwise be available.

Subd. 3a. [BOUNCE-BACK ANNUITY.] (a) If a former member or disabiltant selects a joint and survivor annuity option under subdivision 3, the former member or disabiltant must receive a normal single-life annuity if the designated optional annuity beneficiary dies before the former member or disabiltant. Under this option, no reduction may be made in the person's annuity to provide

for restoration of the normal single-life annuity in the event of the death of the designated optional annuity beneficiary.

(b) A former member or disabilitant who selected an optional joint and survivor annuity before July 1, 1989, but did not choose an option that provides that the normal single-life annuity is payable to the former member or the disabilitant if the designated optional annuity beneficiary dies first, is eligible for restoration of the normal single-life annuity if the designated optional annuity beneficiary dies first, without further actuarial reduction of the person's annuity. A former member or disabilitant who selected an optional joint and survivor annuity, but whose designated optional annuity beneficiary died before July 1, 1989, shall receive a normal single-life annuity after that date, but shall not receive retroactive payments for periods before that date.

(c) A former member or disabilitant who took a further actuarial reduction to elect an optional joint and survivor annuity that provides that the normal annuity is payable to the former member or disabilitant if the designated optional beneficiary died before July 1, 1989, shall have their annuity increased as of July 1, 1989, to the amount the person would have received if, at the time of retirement or disability, the person had selected only optional survivor coverage that would not have provided for restoration of the normal annuity upon the death of the designated optional annuity beneficiary. Any annuity or benefit increase under this paragraph is effective only for payments made after June 30, 1989, and is not retroactive for payments made before July 1, 1989.

Subd. 4. Any monthly payments to which any person may be entitled under this chapter may be reduced in amount upon application of the person entitled thereto to the association, provided that ~~such~~ the person shall first relinquish in writing all claim to that part of the full monthly payment which is the difference between the monthly payment which that person would be otherwise entitled to receive and the monthly payment which that person will receive. The reduced monthly payment shall be payment in full of all amounts due under this chapter for the month for which the payment is made and acceptance of the reduced monthly payment releases the retirement association from all obligation to pay to ~~such~~ the person the difference between the amount of the reduced monthly payment and the full amount of the monthly payment which ~~such~~ the person would otherwise have received. Upon application of the person who is entitled to such monthly payment, it may be increased prospectively to not more than the amount to which ~~such~~ the person would have been entitled had no portion thereof been waived.

Subd. 5. [ACTUARIAL REDUCTION FOR EARLY RETIREMENT.] This subdivision applies to a member who first became a public employee after June 30, 1989, and to any other member

whose annuity is higher when calculated under section 353.29, subdivision 3, paragraph (b), in conjunction with this subdivision than when calculated under section 353.29, subdivision 3, paragraph (a), in conjunction with subdivision 1, 1a, 1b, or 1c. An employee who retires before normal retirement age shall be paid the retirement annuity provided in section 353.29, subdivision 3, paragraph (b), reduced so that the reduced annuity is the actuarial equivalent of the annuity that would be payable to the employee if the employee deferred receipt of the annuity and the annuity amount were augmented at an annual rate of three percent compounded annually from the day the annuity begins to accrue until the normal retirement age.

Sec. 35. Minnesota Statutes 1988, section 353.32, subdivision 1, is amended to read:

Subdivision 1. [BEFORE RETIREMENT.] If a member or former member who terminated public service dies before retirement or before receiving any retirement annuity and no other payment of any kind is or may become payable to any person, a refund shall be paid to the designated beneficiary or, if there be none, to the surviving spouse, or, if none, to the legal representative of the decedent's estate. Such refund shall be in an amount equal to accumulated deductions plus interest thereon at the rate of ~~five~~ six percent per annum compounded annually less the sum of any disability or survivor benefits, if any, that may have been paid by the fund; provided that a survivor who has a right to benefits pursuant to section 353.31 may waive such benefits in writing, except such benefits for a dependent child under the age of 18 years may only be waived pursuant to an order of the district court.

Sec. 36. Minnesota Statutes 1988, section 353.32, subdivision 1a, is amended to read:

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

service. The annuity must be computed as provided in sections 353.29, subdivisions 2 and 3; and 353.30, subdivisions 1, 1a, 1b, and 1c, and 5. Sections 353.34, subdivision 3, and 353.71, subdivision 2, apply to a deferred annuity payable under this subdivision. No payment may accrue beyond the end of the month in which entitlement to the annuity has terminated. An amount equal to any excess of the accumulated contributions that were credited to the account of the deceased employee over and above the total of the annuities paid and payable to the surviving spouse must be paid to the deceased member's last designated beneficiary or, if none, to the legal representative of the estate of the deceased member. A member may specify in writing that this subdivision does not apply and that payment may be made only to the designated beneficiary as otherwise provided by this chapter.

Sec. 37. Minnesota Statutes 1988, section 353.33, subdivision 1, is amended to read:

Subdivision 1. [AGE, SERVICE AND SALARY REQUIREMENTS.] Any member who becomes totally and permanently disabled before normal retirement age 65 and after five three years of allowable service shall be entitled to a disability benefit in an amount provided in subdivision 3. If such disabled person's public service has terminated at any time, at least three two of the required five three years of allowable service must have been rendered after last becoming a member. Any member whose average salary is less than \$75 per month shall not be entitled to a disability benefit. No repayment of a refund otherwise authorized pursuant to section 353.34 and no purchase of prior service or payment made in lieu of salary deductions otherwise authorized pursuant to section 353.01, subdivision 16, 353.017, subdivision 4, or 353.36, subdivision 2, may be made after the occurrence of the disability for which an application pursuant to this section is filed.

Sec. 38. Minnesota Statutes 1988, section 353.33, subdivision 3, is amended to read:

Subd. 3. [COMPUTATION OF BENEFITS.] This disability benefit is an amount equal to the normal annuity payable to a member who has reached 65 normal retirement age with the same number of years of allowable service and the same average salary, as provided in section 353.29, subdivisions 2 and 3. A "basic member" shall receive in addition a supplementary monthly benefit computed in accordance with the following table:

Age when Disabled	Supplementary benefit
Under 56	\$50
56	45
57	40
58	35
59	30
60	25
61	20
62	15
63	10
64	5

If the disability benefits provided in this subdivision exceed the average salary as defined in section 353.29, subdivision 2, the disability benefits shall be reduced to an amount equal to said average salary.

Sec. 39. Minnesota Statutes 1988, section 353.33, subdivision 11, is amended to read:

Subd. 11. [RETIREMENT STATUS AT NORMAL RETIREMENT AGE 65.] No person shall be entitled to receive disability benefits and a retirement annuity at the same time. The disability benefits paid to a person hereunder shall terminate when the person reaches normal retirement age 65. If the person is still totally and permanently disabled when the person attains the normal retirement age of 65 years, the person shall be deemed to be on retirement status and, if the person had elected an optional annuity pursuant to subdivision 3a, shall receive an annuity in accordance with the terms of the optional annuity previously elected, or, if the person had not elected an optional annuity pursuant to subdivision 3a, may at the option of the person either elect to receive either a normal retirement annuity as provided in section 353.29 or normal retirement annuity equal to the disability benefit paid before the person reached normal retirement age 65, whichever amount is greater, or elect to receive an optional annuity as provided in section 353.30, subdivision 3. Any disabled person who becomes age 65 attains normal retirement age shall have the annuity computed in accordance with the law in effect upon attainment of that age 65. Election of an optional annuity shall be made prior to the person attaining the normal retirement age of 65 years. If an optional annuity is elected, the election shall be effective on the date on which the person attains the age of 65 years normal retirement age and the optional annuity shall begin to accrue on the first day of the month next following the month in which the person attains the that age of 65 years.

Sec. 40. Minnesota Statutes 1988, section 353.34, subdivision 2, is amended to read:

Subd. 2. [REFUND WITH INTEREST.] Except as provided in subdivision 1, any person who ceases to be a public employee shall receive a refund in an amount equal to accumulated deductions with interest to the first day of the month in which the refund is processed at the rate of five ~~six~~ percent per annum compounded annually based on fiscal year balances.

Sec. 41. Minnesota Statutes 1988, section 353.34, subdivision 3, is amended to read:

Subd. 3. [DEFERRED ANNUITY; ELIGIBILITY; COMPUTATION.] A member with at least ~~five~~ three years of allowable service when termination of public service occurs has the option of leaving the accumulated deductions in the fund and being entitled to a deferred retirement annuity commencing at normal retirement age ~~65~~ or to a deferred early retirement annuity under section 353.30, subdivision 1, 1a, 1b, ~~or~~ 1c, or 5. The deferred annuity must be computed under section 353.29, subdivisions 2 and 3, on the basis of the law in effect on the date of termination of public service and must be augmented as provided in section 353.71, subdivision 2. A former member qualified to apply for a deferred retirement annuity may revoke this option at any time before the commencement of deferred annuity payments by making application for a refund. The person is entitled to a refund of accumulated member contributions within 30 days following date of receipt of the application by the executive director.

Sec. 42. Minnesota Statutes 1988, section 353.34, subdivision 3a, is amended to read:

Subd. 3a. [DEFERRED ANNUITY; CERTAIN HOSPITAL EMPLOYEES.] Any member employed by a public hospital, as defined in section 355.71, subdivision 3, who has at least ~~five~~ three years of allowable service credit on the date the public hospital is taken over by a private corporation or organization, may elect to receive a deferred annuity pursuant to subdivision 3 notwithstanding the length of service requirement contained therein.

Sec. 43. Minnesota Statutes 1988, section 353.651, subdivision 1, is amended to read:

Subdivision 1. [AGE AND ALLOWABLE SERVICE REQUIREMENTS.] Upon separation from public service, any police officer or firefighter member who has attained the age of at least 55 years and who received credit for not less than ~~five~~ three years of allowable service is entitled upon application to a retirement annuity. Such retirement annuity is known as the "normal" retirement annuity.

Sec. 44. Minnesota Statutes 1988, section 353.651, subdivision 2, is amended to read:

Subd. 2. [AVERAGE SALARY.] In calculating the annuity under subdivision 3, "average salary" means an amount equivalent to the average of the highest salary earned as a police officer or firefighter upon which employee contributions were paid for any five successive years of allowable service. Average salary must be based upon all allowable service if this service is less than five years.

The five successive years average salary may not include any reduced salary paid during a period in which the employee is entitled to benefit payments from workers' compensation for temporary disability unless the average salary is higher, including this period.

Sec. 45. Minnesota Statutes 1988, section 353.657, subdivision 2a, is amended to read:

Subd. 2a. [DEATH WHILE ELIGIBLE SURVIVOR BENEFIT.] If a member or former member who has attained the age of at least 50 years and has credit for not less than five three years allowable service or who has credit for at least 30 years of allowable service, regardless of age attained, dies before public service has terminated, or if an employee who has filed a valid application for an annuity or disability benefit prior to termination of public service dies before the annuity or benefit has become payable, notwithstanding any designation of beneficiary to the contrary, the surviving spouse may elect to receive a death while eligible survivor benefit. The benefit shall be in lieu of a refund with interest provided in section 353.32, subdivision 1, or survivor benefits otherwise payable pursuant to subdivisions 1 and 2. The benefit must be an annuity equal to the 100 percent joint and survivor annuity which the member could have qualified for on the date of death, computed as provided in sections 353.651, subdivisions 2 and 3, and 353.30, subdivision 3. The surviving spouse may apply for the annuity at any time after the date on which the deceased employee would have attained the required age for retirement based on the employee's allowable service. Sections 353.34, subdivision 3, and 353.71, subdivision 2, apply to a deferred annuity payable under this subdivision. No payment shall accrue beyond the end of the month in which entitlement to such annuity has terminated. An amount equal to the excess, if any, of the accumulated contributions which were credited to the account of the deceased employee over and above the total of the annuities paid and payable to the surviving spouse shall be paid to the deceased member's last designated beneficiary or, if none, to the legal representative of the estate of such deceased member. Any member may request in writing that this subdivision not apply and that payment be made only to the designated beneficiary, as otherwise provided by this chapter. For a member who is employed as a full-time firefighter by the department of military affairs of the state of Minnesota, allowable service as a full-time state military affairs department firefighter credited by the Minne-

sota state retirement system may be used in meeting the minimum allowable service requirement of this subdivision.

Sec. 46. Minnesota Statutes 1988, section 353.71, subdivision 1, is amended to read:

Subdivision 1. [ELIGIBILITY.] Any person who has been a member of the public employees retirement association, or the Minnesota state retirement system, or the teachers retirement association, or any other public retirement system in the state of Minnesota having a like provision, except a fund providing benefits for police officers or firefighters governed by sections 69.77 or 69.771 to 69.776, shall be entitled when qualified to an annuity from each fund if the total allowable service in all funds or in any two of these funds totals ~~five~~ three or more years, provided no portion of the allowable service upon which the retirement annuity from one fund is based is again used in the computation for benefits from another fund and provided further that the person has not taken a refund from any one of these funds since the person's membership in that association or system last terminated. The annuity from each fund shall be determined by the appropriate provisions of the law except that the requirement that a person must have at least ~~five~~ three years of allowable service in the respective association or system shall not apply for the purposes of this section provided the combined service in two or more of these funds equals ~~five~~ three or more years.

Sec. 47. Minnesota Statutes 1988, section 353.71, subdivision 2, is amended to read:

Subd. 2. [DEFERRED ANNUITY COMPUTATION; AUGMENTATION.] The deferred annuity, if any, accruing under subdivision 1, or sections 353.34, subdivision 3, and 353.68, subdivision 4, shall be computed in the manner provided in said sections, on the basis of allowable service prior to termination of public service and augmented as provided herein. The required reserves applicable to a deferred annuity, or to an annuity for which a former member was eligible but had not applied, or to any deferred segment of an annuity shall be determined as of the date the annuity begins to accrue and shall be augmented from the first day of the month following the month in which the former member ceased to be a public employee, or July 1, 1971, whichever is later, to the first day of the month in which the annuity begins to accrue, at the rate of five percent per annum compounded annually until January 1, 1981, and thereafter at the rate of three percent thereafter until January 1 of the year following the year in which the former member attains age 55. From that date to the effective date of retirement, the rate is five percent per annum compounded annually. If a person has more than one period of uninterrupted service, the required reserves related to each period shall be augmented by interest pursuant to this subdivision. The sum of the augmented required reserves so determined shall be the present value of the

annuity. Uninterrupted service for the purpose of this subdivision shall mean periods of covered employment during which the employee has not been separated from public service for more than two years. If a person repays a refund, the service restored thereby shall be considered as continuous with the next period of service for which the employee has credit with this association. The formula percentages used for each period of uninterrupted service shall be those as would be applicable to a new employee. This section shall not reduce the annuity otherwise payable under this chapter. This subdivision shall apply to deferred annuitants of record on July 1, 1971 and to employees who thereafter become deferred annuitants; it shall also apply from July 1, 1971 to former members who make application for an annuity after July 1, 1973.

Sec. 48. Minnesota Statutes 1988, section 353.71, subdivision 5, is amended to read:

Subd. 5. [EARLY RETIREMENT.] The requirements and provisions for retirement prior to normal retirement age 65 contained in section 353.30, shall also apply to a person fulfilling such requirements with a combination of service as provided in subdivision 1.

Sec. 49. Minnesota Statutes 1988, section 353C.06, subdivision 1, is amended to read:

Subdivision 1. [ELIGIBILITY REQUIREMENTS.] After separation from public employment, an employee covered under section 353C.02 who has attained the age of at least 55 years and has credit for not less than ~~five~~ three years of coverage in the local government correctional service plan is entitled, upon application, to a normal retirement annuity. Instead of a normal retirement annuity, a retiring employee may elect to receive the optional annuity provided in section 353.30, subdivision 3.

Sec. 50. Minnesota Statutes 1988, section 353C.06, subdivision 2, is amended to read:

Subd. 2. [AVERAGE SALARY BASE.] In calculating the annuity under subdivision 3, "average salary" means an amount equivalent to the average of the highest salary earned as a local government correctional employee upon which employee contributions were paid for any five successive years of allowable service. Average salary must be based on all allowable service if this service is less than five years.

Sec. 51. Minnesota Statutes 1988, section 353C.06, subdivision 4, is amended to read:

Subd. 4. [ACCRUAL AND DURATION.] The annuity under this section begins to accrue as provided in section 353.29, subdivision 7.

The annuity is payable for the life of the recipient, or in accordance with the terms of any optional annuity form selected, and is payable for 84 full calendar months or to the first of the month following the month in which the employee becomes attains the normal retirement age 65, whichever occurs first. After a recipient has received the annuity calculated under this formula for 84 full calendar months or to the first of the month following the month in which the employee becomes attains the normal retirement age 65, whichever occurs first, the benefit must be recomputed in accordance with the coordinated formula in sections 353.29 and 353.30, except that if this amount, when added to the social security benefit based on public service the employee is eligible to receive at that time, is less than the benefit payable under subdivision 3, the retired employee is entitled to receive an amount payable under subdivision 3, less any amount payable from social security based on public service used in the benefit calculation. When an annuity is reduced under this subdivision, any percentage of adjustments that have been applied to the original annuity under section 11A.18, before the reduction, must be compounded and applied to the reduced annuity.

Sec. 52. Minnesota Statutes 1988, section 353C.08, subdivision 5, is amended to read:

Subd. 5. [DISABILITY BENEFIT TERMINATION.] The disability benefit paid to a disabled local government correctional employee terminates at the end of the month in which the employee reaches age 62. If the disabled local government correctional employee is still disabled when the employee reaches age 62, the employee is deemed to be a retired employee and, if the employee had elected an optional annuity under subdivision 3, must receive an annuity in accordance with the terms of the optional annuity previously elected. If the employee had not elected an optional annuity under subdivision 3, the employee may elect either to receive a normal retirement annuity computed on the coordinated formula in the manner provided in section 353.29 or to receive an optional annuity as provided in section 353.30, subdivision 3, based on the same length of service as used in the calculation of the disability benefit. Election of an optional annuity must be made before attaining the age of 62 years. The reduction for retirement prior to normal retirement age 65 as provided in section 353.30, subdivisions 1 and 1c, and 5, is not applicable. The savings clause provision of section 353C.06, subdivision 4, is applicable.

Sec. 53. Minnesota Statutes 1988, section 354.05, is amended by adding a subdivision to read:

Subd. 38. [NORMAL RETIREMENT AGE.] "Normal retirement age" means age 65 for a person who first became a member of the fund before July 1, 1989. For a person who first becomes a member of the fund after June 30, 1989, normal retirement age means the

higher of age 65 or "retirement age," as defined in United States Code, title 42, section 416(l), as amended.

Sec. 54. Minnesota Statutes 1988, section 354.35, is amended to read:

354.35 [RETIREMENT BEFORE BECOMING ELIGIBLE FOR SOCIAL SECURITY.]

Any coordinated member who retires before becoming eligible for social security retirement benefits, may elect to receive an optional retirement annuity from the association which provides for different annuity amounts over different periods of retirement. The election of this optional retirement annuity shall be exercised by making an application to the board on a form provided by the board. The optional annuity shall take the form of an annuity payable for the period before the member attains the normal retirement age of 65 years in a greater amount than the amount of the annuity calculated under section 354.44 on the basis of the age of the member at retirement but equal insofar as possible to the social security old age retirement benefit and the adjusted retirement annuity amount payable immediately after the annuitant becomes eligible for social security old age retirement benefits in an amount less than the amount of the annuity calculated under section 354.44 on the basis of the age of the member at retirement. The social security leveling option may be calculated based on broad average social security old age retirement benefits. The optional annuity shall be the actuarial equivalent of the member's annuity computed on the basis of the member's age at retirement. The greater amount shall be paid until the member reaches the normal retirement age of 65 at which time the payment from the association shall be reduced. The method of computing the optional retirement annuity provided in this section shall be established by the board of trustees. In establishing the method of computing the optional retirement annuity, the board of trustees shall obtain the written recommendation of the commission-retained actuary. The recommendations shall be a part of the permanent records of the board of trustees.

Sec. 55. Minnesota Statutes 1988, section 354.41, subdivision 3, is amended to read:

Subd. 3. (1) Each annuitant, age 60 or over, who is drawing an annuity pursuant to Minnesota Statutes 1953, section 135.10 and Minnesota Statutes 1965, sections 354.44 and 354.33 shall have the right to have membership in the fund restored upon resumption of teaching service, for the purpose of having deductions made in accordance with sections 354.42 and 355.48. Upon completion of five three years of allowable service, under this subdivision the member shall be entitled to a coordinated annuity provided in section 354.44, subdivision 6. This annuity is in addition to any annuity previously granted under this chapter.

(2) Any annuitant qualifying for membership in the fund under clause (1) may file a written notice with the executive director of the teachers retirement association requesting that deductions provided for in section 354.42 be made from compensation paid for subsequent teaching services. Such notice shall remain in effect until the annuitant requests in writing that this membership be revoked. After July 1, 1967, deductions pursuant to section 355.48 are required for any annuitant eligible for membership in the fund under clause (1). Teaching service rendered by an annuitant for which no deductions were made pursuant to section 354.42, shall not be included in any additional annuity granted pursuant to clause (1) of this subdivision.

(3) Teachers retirement deductions made prior to July 1, 1973 from the salary of any annuitant who was qualified for membership in the fund under clause (1) of this subdivision at the time such deductions were made, shall be applicable to the computation of an annuity as provided under clause (1) of this subdivision even if the written notice required in clause (2) of this subdivision has not been filed. The teaching service related to such retirement deductions shall be deemed to be allowable service credit which is applicable to the completion of the five three years of allowable service required in clause (2) of this subdivision.

Sec. 56. Minnesota Statutes 1988, section 354.42, subdivision 2, is amended to read:

Subd. 2. The employee contribution to the fund shall be an amount equal to $4\frac{1}{2}$ percent of the salary of every coordinated member and $8\frac{1}{2}$ percent of the salary of every basic member. This contribution shall be made by deduction from salary. Where any portion of a member's salary is paid from other than public funds, such member's employee contribution shall be based on the entire salary received. For purposes of financing the various options related to the variable annuity division, employee variable annuity contributions will be credited in accordance with section 354.62, subdivision 2.

Sec. 57. Minnesota Statutes 1988, section 354.42, subdivision 3, is amended to read:

Subd. 3. The employer contribution to the fund shall be an amount equal to $4\frac{1}{2}$ percent of the salary of each coordinated member and $8\frac{1}{2}$ percent of the salary of each basic member. This contribution shall be made in the manner provided in section 354.43. For purposes of financing the various options related to the variable annuity division, employer contributions equal to the employee variable annuity contributions prescribed in section 354.62, subdivision 2, shall be allocated at the same time to the employer variable annuity contribution account in section 354.62, subdivision 3.

Sec. 58. Minnesota Statutes 1988, section 354.44, subdivision 1, is amended to read:

Subdivision 1. [REQUIREMENTS AS TO AGE AND SERVICE.] Any member or former member who ceases or has ceased to render teaching services in any school or institution covered by the provisions of this chapter, and who has attained the age of at least 55 years with not less than ~~five~~ three years allowable service, or who has received credit for not less than 30 years allowable service regardless of age, is entitled upon written application to a retirement annuity.

Sec. 59. Minnesota Statutes 1988, section 354.44, subdivision 1a, is amended to read:

Subd. 1a. [MANDATORY RETIREMENT.] Notwithstanding the provisions of sections 43A.11 or 197.455 to 197.48, a member who is serving as a faculty member or administrator under a contract of unlimited tenure or similar arrangement providing for unlimited tenure at an institution of higher education, as defined in section 1201(a) of the federal Higher Education Act of 1965, as amended through January 1, 1987, shall terminate employment at the end of the academic year in which the member reaches the age of 70. For purposes of this subdivision, an academic year shall be deemed to end August 31. No other member shall be subject to a mandatory retirement age provision. A member who terminates employment at any time during the academic year at the end of which the person is at the normal retirement age 65 or older shall, for the purpose of determining eligibility for a proportionate retirement annuity, be considered to have been required to terminate employment at normal retirement age 65 or older pursuant to section 356.32. Nothing contained in this subdivision shall preclude an employing unit covered by this chapter from employing a retired teacher as a substitute or part time teacher. Any person who has attained the normal retirement age of at least 65 years, who is employed as a substitute or part-time teacher and who earns an amount equal to the annual maximum earnings allowable for that age for the continued receipt of full benefit amounts monthly under the federal old age, survivors and disability insurance program as set by the secretary of health and human services pursuant to the provisions of United States Code, title 42, section 403, in any academic year from employment as a substitute or part-time teacher, shall terminate employment for the remainder of that academic year. No person who has attained the normal retirement age of at least 65 years and who has retired under this chapter may resume membership in the retirement association as a result of subsequent employment as a substitute or part-time teacher.

Sec. 60. Minnesota Statutes 1988, section 354.44, subdivision 6, is amended to read:

Subd. 6. [COMPUTATION OF FORMULA PROGRAM RETIREMENT ANNUITY.] (1) The formula retirement annuity hereunder shall be computed in accordance with the applicable provisions of the ~~formula~~ formulas stated in clause (2) hereof or (4) on the basis of each member's average salary for the period of the member's formula service credit. For the purposes of computing the formula benefits under the formula and variable program, if a combination of these formulas is used, the formula percentages used will be those percentages in each formula as continued for the respective years of service from one formula to the next.

For all years of formula service credit "average salary" for the purpose of determining the member's retirement annuity means the average salary upon which contributions were made and upon which payments were made to increase the salary limitation provided in Minnesota Statutes 1971, section 354.511 for the highest five successive years of formula service credit provided however that such "average salary" shall not include any more than the equivalent of 60 monthly salary payments. Average salary must be based upon all years of formula service credit if this service credit is less than five years.

(2) This clause, in conjunction with clause (3), applies to a person who first became a member of the fund before July 1, 1989, unless clause (4), in conjunction with clause (5), produces a higher annuity amount, in which case clause (4) applies. The average salary as defined in clause (1), multiplied by the following percentages per year of formula service credit shall determine the amount of the annuity to which the member qualifying therefor is entitled:

	Coordinated Member	Basic Member
Each year of service during first ten	1.0 percent per year	2.0 percent per year
Each year of service thereafter	1.5 percent per year	2.5 percent per year

(3) (i) This clause applies only to a person who first became a member of the fund before July 1, 1989, and whose annuity is higher when calculated under clause (2), in conjunction with this clause than when calculated under clause (4), in conjunction with clause (5).

(ii) Where any member retires prior to normal retirement age 65 under a formula annuity, the member shall be paid a retirement annuity in an amount equal to the normal annuity provided in this subdivision clause (2) and subdivision 7, paragraph (a), reduced by one-half one-quarter of one percent for each month that the member is under normal retirement age 65 to and including age 60 and reduced by one-fourth of one percent for each month under age 60 at the time of retirement except that for any member who has 30 or

more years of allowable service credit, the reduction shall be applied only for each month ~~which~~ that the member is under age 62.

(iii) Any member whose attained age plus credited allowable service totals 90 years is entitled, upon application, to a retirement annuity in an amount equal to the normal annuity provided in clause (2), without any reduction by reason of early retirement.

(4) This clause applies to a member who first became a member of the fund after June 30, 1989, and to any other member whose annuity amount when calculated under this clause and in conjunction with clause (5), is higher than it is when calculated under clause (2), in conjunction with clause (3). The average salary, as defined in clause (1) multiplied by 2.5 percent for each year of service for a basic member and by 1.5 percent for each year of service for a coordinated member shall determine the amount of the retirement annuity to which the member is entitled.

(5) This clause applies to a person who first becomes a member of the fund after June 30, 1989, and to any other member whose annuity is higher when calculated under clause (4) in conjunction with this clause than when calculated under clause (2), in conjunction with clause (3). An employee who retires under the formula annuity before the normal retirement age shall be paid the normal annuity provided in clause (4) and subdivision 7, paragraph (b), reduced so that the reduced annuity is the actuarial equivalent of the annuity that would be payable to the employee if the employee deferred receipt of the annuity and the annuity amount were augmented at an annual rate of three percent compounded annually from the day the annuity begins to accrue until the normal retirement age.

Sec. 61. Minnesota Statutes 1988, section 354.44, subdivision 7, is amended to read:

Subd. 7. [COMPUTATION OF FORMULA AND VARIABLE PROGRAM RETIREMENT ANNUITY.] (a) This paragraph applies to a person who first became a member of the fund before July 1, 1989, unless paragraph (b) produces a higher annuity amount, in which case paragraph (b) applies. The benefits provided in this subdivision paragraph are the sum of the benefits provided by the following:

(1) The benefits provided in subdivision 6, clause (2) for formula service credit prior to the effective date of the original election of this subdivision and subsequent to June 30, 1978 unless the member elects continued participation in the variable program pursuant to Minnesota Statutes 1984, section 354.621, and

(2) The benefits for service credit subsequent to the effective date of the formula and variable program but prior to July 1, 1978 and the benefits for service credit subsequent to June 30, 1978 if the

member elects continued participation in the variable program pursuant to Minnesota Statutes 1984, section 354.621, shall be the average salary as defined in subdivision 6, clause (1) of any member multiplied by the following percentages per year of formula service credit,

	Coordinated Member	Basic Member
Each year of service during first ten	.5 percent per year	1.0 percent per year
Each year of service thereafter	.75 percent per year	1.25 percent per year, and

(3) The benefits provided in section 354.62, subdivision 5.

(b) This paragraph applies to a person who first became a member of the fund before July 1, 1989, but whose annuity amount, when calculated under this paragraph, is higher than it is when calculated under paragraph (a). The benefits provided in this paragraph are the sum of the benefits provided by the following:

(1) the benefits provided in subdivision 6, clause (4), for formula service credit before the effective date of the original election of this subdivision and subsequent to June 30, 1978, unless the member elects continued participation in the variable program pursuant to Minnesota Statutes 1984, section 354.621;

(2) the benefits for service credit subsequent to the effective date of the formula and variable program but before July 1, 1978, and the benefits for service credit subsequent to June 30, 1978, if the member elects continued participation in the variable program pursuant to Minnesota Statutes 1984, section 354.621, shall be the average salary as defined in subdivision 6, clause (1), of any member multiplied by 1.25 percent for each year of service for a basic member and by 0.75 percent for each year of service for a coordinated member; and

(3) the benefits provided in section 354.62, subdivision 5.

Sec. 62. Minnesota Statutes 1988, section 354.45, subdivision 1, is amended to read:

Subdivision 1. [OPTIONAL ANNUITY FORMS.] The retirement board shall establish optional annuities at retirement which shall take the form of an annuity payable for a period certain and for life thereafter or the form of a joint and survivor annuity. The board shall also establish an optional annuity which shall take the form of a guaranteed refund annuity paying the annuitant a fixed amount for life with the guarantee that in the event of death the balance of the accumulated deductions and interest accrued to the date of retirement will be paid to the designated beneficiary. Except as

provided in subdivision 1a, any optional annuity forms shall be actuarially equivalent to the normal forms provided in section 354.44. In establishing these optional annuity forms, the board shall obtain the written recommendation of the commission-retained actuary. The recommendations shall be a part of the permanent records of the board.

Sec. 63. Minnesota Statutes 1988, section 354.45, is amended by adding a subdivision to read:

Subd. 1a. [BOUNCE-BACK ANNUITY.] (a) If a former member or disabilitant selects a joint and survivor annuity option under subdivision 1, the former member or disabilitant must receive a normal single-life annuity if the designated optional annuity beneficiary dies before the former member or disabilitant. Under this option, no reduction may be made in the person's annuity to provide for restoration of the normal single-life annuity in the event of the death of the designated optional annuity beneficiary.

(b) A former member or disabilitant who selected an optional joint and survivor annuity before July 1, 1989, but did not choose an option that provides that the normal single-life annuity is payable to the former member or the disabilitant if the designated optional annuity beneficiary dies first, is eligible for restoration of the normal single-life annuity if the designated optional annuity beneficiary dies first, without further actuarial reduction of the person's annuity. A former member or disabilitant who selected an optional joint and survivor annuity, but whose designated optional annuity beneficiary died before July 1, 1989, shall receive a normal single-life annuity after that date, but shall not receive retroactive payments for periods before that date.

Sec. 64. Minnesota Statutes 1988, section 354.46, subdivision 2, is amended to read:

Subd. 2. [DEATH WHILE ELIGIBLE DESIGNATED BENEFICIARY BENEFIT.] The surviving spouse of any member or former member who has attained the age of at least 50 years and has credit for at least five three years of allowable service or who has credit for at least 30 years of allowable service irrespective of age shall be entitled to joint and survivor annuity coverage in the event of death of the member prior to retirement. If the surviving spouse does not elect to receive a surviving spouse benefit provided pursuant to subdivision 1, if applicable, or does not elect to receive a refund of accumulated member contributions provided pursuant to section 354.47, subdivision 1, or 354.62, subdivision 5, clause (3), whichever is applicable, the surviving spouse shall be entitled to receive, upon written application on a form prescribed by the executive director, a benefit equal to the second portion of a 100 percent joint and survivor annuity as provided pursuant to section 354.45 and computed pursuant to section 354.44, subdivision 2, 6 or 7, whichever is

applicable. The surviving spouse may apply for the annuity at any time after the date on which the deceased employee would have attained the required age for retirement based on the employee's allowable service. Sections 354.44, subdivisions 6 and 7, and 354.60 apply to a deferred annuity payable under this section. If the member was a participant in the variable annuity division, the applicable portion of the benefit shall be computed pursuant to section 354.62, subdivision 5, clause (1). The benefit shall be payable for life.

Sec. 65. Minnesota Statutes 1988, section 354.47, subdivision 1, is amended to read:

Subdivision 1. [DEATH BEFORE RETIREMENT.] (1) If a member dies before retirement and is covered pursuant to the provisions of section 354.44, subdivision 2, and neither an optional annuity, nor a reversionary annuity, nor a benefit pursuant to section 354.46, subdivision 1 is payable to the survivors if the member was a basic member, the surviving spouse, or if there is no surviving spouse, the designated beneficiary shall be entitled to an amount equal to the member's accumulated deductions with interest credited to the account of the member to the date of death.

(2) If a member dies before retirement and is covered pursuant to the provisions of section 354.44, subdivisions 6 and 7, and neither an optional annuity, nor reversionary annuity, nor the benefit described in section 354.46, subdivision 1 is payable to the survivors if the member was a basic member, the surviving spouse, or if there is no surviving spouse, the designated beneficiary shall be entitled to an amount equal to the member's accumulated deductions credited to the account of the member as of June 30, 1957 and from July 1, 1957 to the date of death the member's accumulated deductions plus interest at the rate of ~~five~~ six percent per annum compounded annually.

(3) The amounts payable in clause (1) or (2) are in addition to the amount payable in section 354.62, subdivision 5, for the member's variable annuity account.

Sec. 66. Minnesota Statutes 1988, section 354.48, subdivision 1, is amended to read:

Subdivision 1. [AGE, SERVICE AND SALARY REQUIREMENTS.] Any member who became totally and permanently disabled after at least ~~five~~ three years of allowable service shall be entitled to a disability benefit in an amount provided in subdivision 3. If such disabled person's teaching service has terminated at any time, at least ~~three~~ two of the required ~~five~~ three years of allowable service must have been rendered after last becoming a member. Any member whose average salary is less than \$75 per month shall not be entitled to disability benefits.

Sec. 67. Minnesota Statutes 1988, section 354.48, subdivision 3, is amended to read:

Subd. 3. [COMPUTATION OF BENEFITS.] (1) The amount of the disability benefit granted to members covered under section 354.44, subdivision 2, clauses (1) and (2), is an amount equal to double the annuity which could be purchased by the member's accumulated deductions plus interest on the amount computed as though the teacher were at normal retirement age 65 at the time the benefit begins to accrue and in accordance with the law in effect when the disability application is received. Any member who applies for a disability benefit after June 30, 1974, and who failed to make an election pursuant to Minnesota Statutes 1971, section 354.145, shall have the disability benefit computed under this clause or clause (2), whichever is larger.

The benefit granted shall be determined by the following:

- (a) the amount of the accumulated deductions;
- (b) interest actually earned on these accumulated deductions to the date the benefit begins to accrue;
- (c) interest for the years from the date the benefit begins to accrue to the date the member attains normal retirement age 65 at the rate of three percent;
- (d) annuity purchase rates based on an appropriate annuity table of mortality established by the board as provided in section 354.07, subdivision 1, and using the applicable postretirement interest rate assumption specified in section 356.215, subdivision 4d.

In addition, a supplementary monthly benefit shall be paid to basic members only in accordance with the following table:

Age When Benefit Begins to Accrue	Supplementary Benefit
Under Age 56	\$50
56	45
57	40
58	35
59	30
60	25
61	20
62	15
63	10
64	5

- (2) The disability benefit granted to members covered under

section 354.44, subdivision 6 or 7 shall be computed in the same manner as the annuity provided in section 354.44, subdivision 6 or 7 of that section, whichever is applicable. The disability benefit shall be the formula annuity without the reduction for each month the member is under normal retirement age 65 when the benefit begins to accrue.

(3) For the purposes of computing a retirement annuity when the member becomes eligible, the amounts paid for disability benefits shall not be deducted from the individual member's accumulated deductions. If the disability benefits provided in this subdivision exceed the monthly average salary of the disabled member, the disability benefits shall be reduced to an amount equal to the disabled member's average salary.

Sec. 68. Minnesota Statutes 1988, section 354.48, subdivision 10, is amended to read:

Subd. 10. [RETIRED STATUS AT NORMAL RETIREMENT AGE 65.] No person shall be entitled to receive both a disability benefit and a retirement annuity provided by this chapter. The disability benefit paid to a person hereunder shall terminate at the end of the month in which the person attains the normal retirement age of 65 years. If the person is still totally and permanently disabled at the beginning of the month next following the month in which the person attains the normal retirement age of 65 years, the person shall be deemed to be on retirement status and, if the person had elected an optional annuity pursuant to subdivision 3a, shall receive an annuity in accordance with the terms of the optional annuity previously elected, or, if the person had not elected an optional annuity pursuant to subdivision 3a, may at the option of the person elect to receive either a straight life retirement annuity computed pursuant to section 354.44 or a straight life retirement annuity equal to the disability benefit paid prior to the date on which the person attained the age of 65 years, whichever amount is greater, or elect to receive an optional annuity as provided in section 354.45, subdivision 1. Election of an optional annuity shall be made prior to the person attaining the normal retirement age of 65 years. If an optional annuity is elected, the election shall be effective on the date on which the person attains the normal retirement age of 65 years and the optional annuity shall begin to accrue on the first day of the month next following the month in which the person attains the that age of 65 years.

Sec. 69. Minnesota Statutes 1988, section 354.49, subdivision 2, is amended to read:

Subd. 2. Except as provided in section 354.44, subdivision 1, any person who ceases to be a member by reason of termination of teaching service, shall receive a refund in an amount equal to the accumulated deductions credited to the account as of June 30, 1957,

and after July 1, 1957, the accumulated deductions with interest at the rate of five six percent per annum compounded annually plus any variable annuity account accumulations payable pursuant to section 354.62, subdivision 5, clause (4). For the purpose of this subdivision, interest shall be computed on fiscal year end balances to the first day of the month in which the refund is issued.

Sec. 70. Minnesota Statutes 1988, section 354.49, subdivision 3, is amended to read:

Subd. 3. Any person who has attained the normal retirement age of at least 65 with less than five three years of credited allowable service shall be entitled to receive a refund in an amount equal to the person's accumulated deductions plus interest in lieu of a proportionate annuity pursuant to section 356.32 except those covered under the provisions of section 354.44, subdivision 6 or 7 in which case the refund shall be an amount equal to the accumulated deductions credited to the person's account as of June 30, 1957, and after July 1, 1957, the accumulated deductions plus interest at the rate of five six percent compounded annually.

Sec. 71. Minnesota Statutes 1988, section 354.55, subdivision 11, is amended to read:

Subd. 11. [DEFERRED ANNUITY; AUGMENTATION.] Any person covered under section 354.44, subdivisions 6 and 7, who ceases to render teaching service may leave the person's accumulated deductions in the fund for the purpose of receiving a deferred annuity at retirement. Eligibility for an annuity under this subdivision shall be governed pursuant to section 354.44, subdivision 1, or 354.60.

The amount of the deferred retirement annuity shall be determined by section 354.44, subdivisions 6 and 7, and augmented as provided in this subdivision. The required reserves related to that portion of the annuity which had accrued when the member ceased to render teaching service shall be augmented by interest compounded annually from the first day of the month following the month during which the member ceased to render teaching service to the effective date of retirement. There shall be no augmentation if this period is less than three months or if this period commences prior to July 1, 1971. The rates of interest used for this purpose shall be five percent compounded annually commencing July 1, 1971, until January 1, 1981, and three percent compounded annually thereafter until January 1 of the year following the year in which the former member attains age 55. From that date to the effective date of retirement, the rate is five percent compounded annually. If a person has more than one period of uninterrupted service, a separate average salary determined under section 354.44, subdivision 6, must be used for each period and the required reserves related to each period shall be augmented by interest pursuant to this subdivision. The sum of the augmented required reserves so

determined shall be the basis for purchasing the deferred annuity. If a person repays a refund, the service restored by the repayment must be considered as continuous with the next period of service for which the person has credit with this fund. If a person does not render teaching service in any one fiscal year or more consecutive fiscal years and then resumes teaching service, the formula percentages used from the date of the resumption of teaching service shall be those applicable to new members. The mortality table and interest assumption used to compute the annuity shall be the applicable mortality table established by the board under section 354.07, subdivision 1, and the interest rate assumption under section 356.215 in effect when the member retires. A period of uninterrupted service for the purposes of this subdivision means a period of covered teaching service during which the member has not been separated from active service for more than one fiscal year.

The provisions of this subdivision shall not apply to variable account accumulations as defined in section 354.05, subdivision 23.

In no case shall the annuity payable under this subdivision be less than the amount of annuity payable pursuant to section 354.44, subdivisions 6 and 7.

The requirements and provisions for retirement before normal retirement age 65 contained in section 354.44, subdivision 6, clause (2) (3) or (5), shall also apply to an employee fulfilling the requirements with a combination of service as provided in section 354.60.

The augmentation provided by this subdivision applies to the benefit provided in section 354.46, subdivision 2.

The augmentation provided by this subdivision shall not apply to any period in which a person is on an approved leave of absence from an employer unit covered by the provisions of this chapter.

Sec. 72. Minnesota Statutes 1988, section 354.60, is amended to read:

354.60 [SERVICE IN OTHER PUBLIC RETIREMENT FUNDS; ANNUITY.]

Any person who has been a member of the Minnesota state retirement system or the public employees retirement association including the public employees retirement association police and fire fund or the teachers retirement association or the Minnesota state patrol retirement association, or any other public employee retirement system in the state of Minnesota having a like provision but excluding all other funds providing benefits for police officers or firefighters shall be entitled when qualified to an annuity from each fund if the person's total allowable service in all three funds or in

any two of these funds totals five three or more years, provided no portion of the allowable service upon which the retirement annuity from one fund is based is again used in the computation for benefits from another fund and provided further that the person has not taken a refund from any one of these three funds since the person's membership in that association has terminated. The annuity from each fund shall be determined by the appropriate provisions of the law except that the requirement that an annuitant have at least five three years' membership service or five three years of allowable service in the respective association shall not apply for the purposes of this section provided the combined service in two or more of these funds equals five three or more years.

Sec. 73. Minnesota Statutes 1988, section 354A.011, is amended by adding a subdivision to read:

Subd. 15a. [NORMAL RETIREMENT AGE.] "Normal retirement age" means age 65 for a person who first became a member of the coordinated program of the Minneapolis or St. Paul teachers retirement fund association or the new law coordinated program of the Duluth teachers retirement fund association before July 1, 1989. For a person who first became a member of the coordinated program of the Minneapolis or St. Paul teachers retirement fund association or the new law coordinated program of the Duluth teachers retirement fund association after June 30, 1989, normal retirement age means the higher of age 65 or retirement age, as defined in United States Code, title 42, section 416(d), as amended. For a person who is a member of the basic program of the Minneapolis or St. Paul teachers retirement fund association or the old law coordinated program of the Duluth teachers retirement fund association, normal retirement age means the age at which a teacher becomes eligible for a normal retirement annuity computed upon meeting the age and service requirements specified in the applicable provisions of the articles of incorporation or bylaws of the respective teachers retirement fund association.

Sec. 74. Minnesota Statutes 1988, section 354A.011, subdivision 20, is amended to read:

Subd. 20. [REDUCED RETIREMENT ANNUITY.] "Reduced retirement annuity" means for a coordinated member the retirement annuity computed pursuant to section 354A.31, subdivision 4, reduced pursuant to section 354A.31, subdivision 6 or 7, and paid or payable to a member upon meeting the minimum age and service requirements specified in section 354A.31, subdivision 1, but prior to meeting the age and service requirements specified in section 354A.31, subdivision 5, and for a basic member the retirement annuity computed pursuant to and paid or payable to a member upon meeting the minimum age and service requirements specified in but prior to meeting the age and service requirements for a normal retirement annuity specified in the applicable provisions of

the articles of incorporation or bylaws of the respective teachers retirement fund association.

Sec. 75. Minnesota Statutes 1988, section 354A.12, subdivision 1, is amended to read:

Subdivision 1. [EMPLOYEE CONTRIBUTIONS.] The contribution required to be paid by each member of a teachers retirement fund association shall not be less than the percentage of total salary specified below for the applicable association and program:

Association and Program	Percentage of Total Salary
Duluth teachers retirement association old law and new law coordinated programs	4.5 . . . percent
Minneapolis teachers retirement association basic program	8.5 . . . percent
coordinated program	4.5 . . . percent
St. Paul teachers retirement association basic program	8 . . percent
coordinated program	4.5 . . . percent

Sec. 76. Minnesota Statutes 1988, section 354A.12, subdivision 2, is amended to read:

Subd. 2. [EMPLOYER CONTRIBUTIONS.] Notwithstanding any law to the contrary, levies for teachers retirement fund associations in cities of the first class, including levies for any employer social security taxes for teachers covered by the Duluth teachers retirement fund association or the Minneapolis teachers retirement fund association or the St. Paul teachers retirement fund association, are disallowed.

The employing units shall make the following employer contributions to teachers retirement fund associations:

(a) For any coordinated member of a teachers retirement fund association in a city of the first class, the employing unit shall pay the employer social security taxes in accordance with section 355.46, subdivision 3, clause (b);

(b) For any coordinated member of one of the following teachers retirement fund associations in a city of the first class, the employing unit shall make a contribution to the respective retirement fund association in an amount equal to the designated percentage of the salary of the coordinated member as provided below:

Duluth teachers retirement fund association	5.70 percent
Minneapolis teachers retirement fund association	4.50 percent
St. Paul teachers retirement fund association	4.50 percent

(c) For any basic member of one of the following teachers retirement fund associations in a city of the first class, the employing unit shall make a contribution to the respective retirement fund in an amount equal to the designated percentage of the salary of the basic member as provided below:

Minneapolis teachers retirement fund association	13.35 percent
St. Paul teachers retirement fund association	12.63 percent

The employer contributions shall be remitted directly to each teachers retirement fund association each month.

Payments for school district or technical institute employees who are paid from normal operating funds, shall be made from the appropriate fund of the district or technical institute.

Sec. 77. Minnesota Statutes 1988, section 354A.21, is amended to read:

354A.21 [PROPORTIONATE ANNUITY.]

A teacher who terminates employment at any time during the academic year at the end of which the teacher is required to terminate employment pursuant to this section shall be entitled upon application to a proportionate retirement annuity pursuant to section 356.32. Nothing contained in this section shall preclude a district from employing a retired teacher as a substitute teacher but upon having earned an amount equal to the annual maximum earnings allowable for that age for the continued receipt of full benefit amounts monthly under the federal old age, survivors and disability insurance program as set by the secretary of health and human services pursuant to the provisions of United States Code, title 42, section 403, in any academic year from employment as a substitute teacher, any person over the age of 70 years shall terminate employment for the remainder of that academic year. No person employed as a substitute teacher after reaching the normal retirement age of at least 65 years and who has retired under this chapter shall resume membership in the teachers retirement fund association by virtue of the employment as a substitute teacher.

Sec. 78. Minnesota Statutes 1988, section 354A.31, subdivision 1, is amended to read:

Subdivision 1. [AGE AND SERVICE REQUIREMENTS.] Any coordinated member or former coordinated member who has ceased to render teaching service for the school district in which the teachers retirement fund association exists and who has either attained the age of at least 55 years with not less than five three years of allowable service credit or received credit for not less than 30 years of allowable service regardless of age, shall be entitled upon written application to a retirement annuity.

Sec. 79. Minnesota Statutes 1988, section 354A.31, subdivision 4, is amended to read:

Subd. 4. [COMPUTATION OF THE NORMAL COORDINATED RETIREMENT ANNUITY.] (a) The normal coordinated retirement annuity shall be an amount equal to a retiring coordinated member's average salary multiplied by the retirement annuity formula percentage. Average salary for purposes of this section shall mean an amount equal to the average salary upon which contributions were made for the highest five successive years of service credit, but which shall not in any event include any more than the equivalent of 60 monthly salary payments. Average salary must be based upon all years of service credit if this service credit is less than five years.

(b) This paragraph, in conjunction with subdivision 6, applies to a person who first became a member before July 1, 1989, unless paragraph (c), in conjunction with subdivision 7, produces a higher annuity amount, in which case paragraph (c) will apply. The retirement annuity formula percentage for purposes of this section shall mean paragraph is one percent per year for each year of coordinated service for the first ten years and 1½ percent for each year of coordinated service thereafter.

(c) This paragraph applies to a person who first becomes a member after June 30, 1989, and to any other member whose annuity amount, when calculated under this paragraph and in conjunction with subdivision 7 is higher than it is when calculated under paragraph (b), in conjunction with the provisions of subdivision 6. The retirement annuity formula percentage for purposes of this paragraph is 1½ percent for each year of coordinated service.

Sec. 80. Minnesota Statutes 1988, section 354A.31, subdivision 5, is amended to read:

Subd. 5. [UNREDUCED NORMAL RETIREMENT ANNUITY.] Upon retirement at normal retirement age 65 with at least five three years of service credit or at age 62 with at least 30 years of service credit, a coordinated member shall be entitled to a normal retirement annuity calculated pursuant to subdivision 4.

Sec. 81. Minnesota Statutes 1988, section 354A.31, subdivision 6, is amended to read:

Subd. 6. [REDUCED RETIREMENT ANNUITY.] This subdivision applies only to a person who first became a coordinated member before July 1, 1989, and whose annuity is higher when calculated using the retirement annuity formula percentage in subdivision (4), paragraph (b), in conjunction with this subdivision than when calculated under subdivision 4, paragraph (c), in conjunction with subdivision 7.

(a) Upon retirement at an age prior to normal retirement age 65 with five three years of service credit or prior to age 62 with at least 30 years of service credit, a coordinated member shall be entitled to a retirement annuity in an amount equal to the normal retirement annuity calculated using the retirement annuity formula percentage in subdivision (4), paragraph (b), reduced by one-half one-quarter of one percent for each month that the coordinated member is under the normal retirement age of 65 if the coordinated member has less than 30 years of service credit or is under the age of 62 if the coordinated member has at least 30 years of service credit but is over the age of 59, and reduced by one-fourth of one percent for each month that the coordinated member is under the age of 60.

(b) Any coordinated member whose attained age plus credited allowable service totals 90 years is entitled, upon application, to a retirement annuity in an amount equal to the normal retirement annuity calculated using the retirement annuity formula percentage in subdivision (4), paragraph (b), without any reduction by reason of early retirement.

Sec. 82. Minnesota Statutes 1988, section 354A.31, is amended by adding a subdivision to read:

Subd. 7. [ACTUARIAL REDUCTION FOR EARLY RETIREMENT.] This subdivision applies to a person who first becomes a coordinated member after June 30, 1989, and to any other coordinated member whose annuity is higher when calculated using the retirement annuity formula percentage in subdivision 4, paragraph (c), in conjunction with this subdivision than when calculated under subdivision 4, paragraph (b), in conjunction with subdivision 6. A coordinated member who retires before the full benefit age shall be paid the retirement annuity calculated using the retirement annuity formula percentage in subdivision 4, paragraph (c), reduced so that the reduced annuity is the actuarial equivalent of the annuity that would be payable to the member if the member deferred receipt of the annuity and the annuity amount were augmented at an annual rate of three percent compounded annually from the day the annuity begins to accrue until the normal retirement age.

Sec. 83. Minnesota Statutes 1988, section 354A.32, subdivision 1, is amended to read:

Subdivision 1. [OPTIONAL FORMS GENERALLY.] The boards of the Minneapolis and the St. Paul teachers retirement fund associations shall each establish for the coordinated program and the board of the Duluth teachers retirement fund association shall establish for the new law coordinated program an optional retirement annuity which shall take the form of a joint and survivor annuity. Each board may also in its discretion establish an optional annuity which shall take the form of an annuity payable for a period certain and for life thereafter. ~~Each board shall also establish an optional retirement annuity which shall take the form of a guarantee that in the event of death the balance of the accumulated deductions shall be paid to a designated beneficiary.~~ Except as provided in subdivision 1a, optional annuity forms shall be the actuarial equivalent of the normal forms provided in section 354A.31. In establishing these optional annuity forms, the board shall obtain the written recommendation of the commission-retained actuary. The recommendation shall be a part of the permanent records of the board.

Sec. 84. Minnesota Statutes 1988, section 354A.32, is amended by adding a subdivision to read:

Subd. 1a. [BOUNCE-BACK ANNUITY.] (a) If a former coordinated member or disabilitant has selected a joint and survivor annuity option under subdivision 1, the former member or disabilitant must receive a normal single-life annuity if the designated optional annuity beneficiary dies before the former member or disabilitant. Under this option, no reduction may be made in the person's annuity to provide for restoration of the normal single-life annuity in the event of the death of the designated optional annuity beneficiary.

(b) A former coordinated member or disabilitant who selected an optional joint and survivor annuity before July 1, 1989, but did not choose an option that provides that the normal single-life annuity is payable to the former member or the disabilitant if the designated optional annuity beneficiary dies first, is eligible for restoration of the normal single-life annuity if the designated optional annuity beneficiary dies first, without further actuarial reduction of the person's annuity. A former member or disabilitant who selected an optional joint and survivor annuity, but whose designated optional annuity beneficiary died before July 1, 1989, shall receive a normal single-life annuity after that date, but shall not receive retroactive payments for periods before that date.

(c) A former coordinated member or disabilitant who took a further actuarial reduction to elect an optional joint and survivor annuity that provides that the normal annuity is payable to the former member or disabilitant if the designated optional beneficiary

died before July 1, 1989, shall have the annuity increased as of July 1, 1989, to the amount the person would have received if, at the time of retirement or disability, the person had selected only optional survivor coverage that would not have provided for restoration of the normal annuity upon the death of the designated optional annuity beneficiary. Any annuity or benefit increase under this paragraph is effective only for payments made after June 30, 1989, and is not retroactive for payments made before July 1, 1989.

Sec. 85. Minnesota Statutes 1988, section 354A.35, subdivision 1, is amended to read:

Subdivision 1. [DEATH BEFORE RETIREMENT; REFUND.] If a coordinated member or former coordinated member dies prior to retirement or prior to the receipt of any retirement annuity or other benefit payment which is or may be payable and a surviving spouse optional annuity is not payable pursuant to subdivision 2, a refund shall be paid to the person's surviving spouse, or if there is none, to the person's designated beneficiary, or if there is none, to the legal representative of the person's estate. The refund shall be in an amount equal to the person's accumulated contributions plus interest at the rate of five six percent per annum compounded annually.

Sec. 86. Minnesota Statutes 1988, section 354A.35, subdivision 2, is amended to read:

Subd. 2. [DEATH WHILE ELIGIBLE TO RETIRE; SURVIVING SPOUSE OPTIONAL ANNUITY.] The surviving spouse of any coordinated member who has attained the age of at least 50 years and has credit for at least five three years of service or has credit for at least 30 years of service regardless of age shall be entitled to joint and survivor annuity coverage in the event of death of the member prior to retirement. The surviving spouse may apply for the annuity at any time after the date on which the deceased employee would have attained the required age for retirement based on the employee's allowable service. The member's surviving spouse shall be paid a joint and survivor annuity as provided in section 354A.32 and computed pursuant to section 354A.31. Sections 354A.37, subdivision 2, and 354A.39 apply to a deferred annuity payable under this section. The benefits shall be payable for life.

Sec. 87. Minnesota Statutes 1988, section 354A.36, subdivision 1, is amended to read:

Subdivision 1. [MINIMUM AGE, SERVICE AND SALARY REQUIREMENTS.] Any coordinated member who has at least five three years of allowable service credit, has an average salary of at least \$75 per month and has become totally and permanently disabled shall be entitled to a disability benefit. If the disabled coordinated member's allowable service credit has not been continuous, at least three two years of the required allowable service shall

be required to have been rendered subsequent to the last interruption in service.

Sec. 88. Minnesota Statutes 1988, section 354A.36, subdivision 3, is amended to read:

Subd. 3. [COMPUTATION OF DISABILITY BENEFIT.] The coordinated permanent disability benefit shall be an amount equal to the normal coordinated retirement annuity computed pursuant to section 354A.31, subdivision 4, based on allowable service credited to the date of disability but without any reduction for the commencement of the benefit prior to the attainment of normal retirement age 65 or age 62 with at least 30 years of service credit as specified in section 354A.31, subdivision 6. The disabled coordinated member shall not be entitled to elect an optional annuity form pursuant to section 354A.32 prior to attaining normal retirement age 65 as provided in subdivision 10.

Sec. 89. Minnesota Statutes 1988, section 354A.36, subdivision 10, is amended to read:

Subd. 10. [RETIREMENT STATUS UPON ATTAINING NORMAL RETIREMENT AGE 65.] No person shall be entitled to receive both a disability benefit under this section and a retirement annuity under section 354A.31. If a disability benefit recipient remains totally and permanently disabled upon attaining normal retirement age 65, the disability benefit shall terminate and the former disability benefit recipient shall be deemed to be on retirement status. If the former disability benefit recipient had elected an optional annuity pursuant to subdivision 3a, the recipient shall receive an annuity in accordance with the terms of the optional annuity previously elected, or if the recipient had not elected an optional annuity pursuant to subdivision 3a, the recipient shall be entitled either to receive a retirement annuity in an amount equal to the greater of either a single life retirement annuity calculated pursuant to section 354A.31 or the disability benefit paid to the recipient immediately prior to the recipient's attaining normal retirement age 65 or elect either a single life retirement annuity as provided in this section or an actuarial equivalent optional form retirement annuity as provided in section 354A.32. Election of an optional annuity shall be made prior to the person attaining the normal retirement age of 65 years. If an optional annuity is elected, the election shall be effective on the date on which the person attains the normal retirement age of 65 years and the optional annuity shall begin to accrue on the first day of the month next following the month in which the person attains the normal retirement age of 65 years.

Sec. 90. Minnesota Statutes 1988, section 354A.37, subdivision 2, is amended to read:

Subd. 2. [ELIGIBILITY FOR DEFERRED RETIREMENT ANNUITY.] Any coordinated member who ceases to render teaching services for the school district in which the teachers retirement fund association is located, with sufficient allowable service credit to meet the minimum service requirements specified in section 354A.31, subdivision 1, shall be entitled to a deferred retirement annuity in lieu of a refund pursuant to subdivision 1. The deferred retirement annuity shall be computed pursuant to section 354A.31 and it shall be augmented as provided in this subdivision. The deferred annuity shall commence upon application after the person on deferred status attains at least the minimum age specified in section 354A.31, subdivision 1.

The monthly annuity amount that had accrued when the member ceased to render teaching service must be augmented from the first day of the month following the month during which the member ceased to render teaching service to the effective date of retirement. There is no augmentation if this period is less than three months. The rate of augmentation is three percent compounded annually until January 1 of the year following the year in which the former member attains age 55, and five percent compounded annually after that date to the effective date of retirement. If a person has more than one period of uninterrupted service, a separate average salary determined under section 354A.31 must be used for each period, and the monthly annuity amount related to each period must be augmented as provided in this subdivision. The sum of the augmented monthly annuity amounts determines the total deferred annuity payable. If a person repays a refund, the service restored by the repayment must be considered as continuous with the next period of service for which the person has credit with the fund. If a person does not render teaching services in any one fiscal year or more consecutive fiscal years and then resumes teaching service, the formula percentages used from the date of resumption of teaching service are those applicable to new members. The mortality table and interest assumption used to compute the annuity are the table established by the fund to compute other annuities, and the interest assumption under section 356.215 in effect when the member retires. A period of uninterrupted service for the purpose of this subdivision means a period of covered teaching service during which the member has not been separated from active service for more than one fiscal year.

The augmentation provided by this subdivision applies to the benefit provided in section 354A.35, subdivision 2. The augmentation provided by this subdivision does not apply to any period in which a person is on an approved leave of absence from an employer unit.

Sec. 91. Minnesota Statutes 1988, section 354A.37, subdivision 3, is amended to read:

Subd. 3. [COMPUTATION OF REFUND AMOUNT.] A former coordinated member who qualifies for a refund pursuant to subdivision 1 shall receive a refund equal to the amount of the former coordinated member's accumulated contributions with interest at the rate of five six percent per annum compounded annually.

Sec. 92. Minnesota Statutes 1988, section 354A.37, subdivision 4, is amended to read:

Subd. 4. [CERTAIN REFUNDS AT NORMAL RETIREMENT AGE 65.] Any coordinated member who has attained the normal retirement age of at least 65 with less than ten years of allowable service credit and has terminated active teaching service shall be entitled to a refund in lieu of a proportionate annuity pursuant to section 356.32. The refund shall be equal to the coordinated member's accumulated employee contributions plus interest at the rate of five six percent compounded annually.

Sec. 93. Minnesota Statutes 1988, section 354A.39, is amended to read:

354A.39 [SERVICE IN OTHER PUBLIC RETIREMENT FUNDS; ANNUITY.]

Any person who has been a member of the Minnesota state retirement system, the public employees retirement association including the public employees retirement association police and fire fund, the teachers retirement association, the Minnesota state patrol retirement association, the legislators retirement plan, the constitutional officers retirement plan, the Minneapolis employees retirement fund, the Duluth teachers retirement fund association new law coordinated program, the Minneapolis teachers retirement fund association coordinated program, the St. Paul teachers retirement fund association coordinated program, or any other public employee retirement system in the state of Minnesota having a like provision but excluding all other funds providing retirement benefits for police officers or firefighters shall be entitled when qualified to an annuity from each fund if the person's total allowable service in all of the funds or in any two or more of the funds totals five three or more years, provided that no portion of the allowable service upon which the retirement annuity from one fund is based is used again in the computation for a retirement annuity from another fund and provided further that the person has not taken a refund from any of funds or associations since the person's membership in the fund or association has terminated. The annuity from each fund or association shall be determined by the appropriate provisions of the law governing each fund or association, except that the requirement that a person must have at least five three years of allowable service in the respective fund or association shall not apply for the purposes of this section, provided that the aggregate service in two or more of these funds equals five three or more years.

Sec. 94. Minnesota Statutes 1988, section 356.215, subdivision 4d, is amended to read:

Subd. 4d. [INTEREST AND SALARY ASSUMPTIONS.] For funds governed by chapters 3A, 352, 352B, 352C, 353, 353C, 354 other than the variable annuity fund governed by section 354.62, and 490, the actuarial valuation shall use a preretirement interest assumption of eight 8.5 percent, a postretirement interest assumption of five percent, and an assumption that in each future year the salary on which a retirement or other benefit is based is 1.065 multiplied by the salary for the preceding year. For funds governed by chapter 354A, the actuarial valuation shall use preretirement and postretirement assumptions of eight 8.5 percent and an assumption that in each future year the salary on which a retirement or other benefit is based is 1.065 multiplied by the salary for the preceding year, but the actuarial valuation shall reflect the payment of postretirement adjustments to retirees shall be based on the methods specified in the bylaws of the fund as approved by the legislature. For all other funds, the actuarial valuation shall use a preretirement interest assumption of five percent, a postretirement interest assumption of five percent, and an assumption that in each future year the salary on which a retirement or other benefit is based is 1.035 multiplied by the salary for the preceding year.

For funds governed by chapters 3A, 352C, and 490, the actuarial valuation shall use a preretirement interest assumption of eight 8.5 percent, a postretirement interest assumption of five percent, and an assumption that in each future year in which the salary amount payable is not determinable from section 3.099, 15A.081, subdivision 6, or 15A.083, subdivision 1, whichever is applicable, or from applicable compensation council recommendations under section 15A.082, the salary on which a retirement or other benefit is based is 1.065 multiplied by the known or computed salary for the preceding year, whichever is applicable.

Sec. 95. Minnesota Statutes 1988, section 356.215, subdivision 4g, is amended to read:

Subd. 4g. [AMORTIZATION CONTRIBUTIONS.] In addition to the exhibit indicating the level normal cost, the actuarial valuation shall contain an exhibit indicating the additional annual contribution which would be required to amortize the unfunded actuarial accrued liability. For funds governed by chapters 3A, 352, 352B, 352C, 353, 353C, 354, 354A, and 490, the additional contribution shall be calculated on a level percentage of covered payroll basis by the established date for full funding which is in effect when the valuation is prepared. The level percent additional contribution shall be calculated assuming annual payroll growth of 6.5 percent. For all other funds, the additional annual contribution shall be calculated on a level annual dollar amount basis.

If, for any fund other than the Minneapolis employees retirement fund, after the first actuarial valuation date occurring after June 1, ~~1979~~ 1989, there has not been a change in the actuarial assumptions used for calculating the actuarial accrued liability of the fund, a change in the benefit plan governing annuities and benefits payable from the fund, a change in the actuarial cost method used in calculating the actuarial accrued liability of all or a portion of the fund, or a combination of the three, which change or changes by themselves without inclusion of any other items of increase or decrease produce a net increase in the unfunded actuarial accrued liability of the fund, the established date for full funding for the first actuarial valuation made after June 1, ~~1979~~ 1989, and each successive actuarial valuation shall be the first actuarial valuation date which occurs after June 1, ~~2009~~ 2020.

If, for any fund or plan other than the Minneapolis employees retirement fund, after the first actuarial valuation date occurring after June 1, ~~1979~~ 1989, there has been a change in any or all of the actuarial assumptions used for calculating the actuarial accrued liability of the fund, a change in the benefit plan governing annuities and benefits payable from the fund, a change in the actuarial cost method used in calculating the actuarial accrued liability of all or a portion of the fund, or a combination of the three, and the change or changes, by themselves and without inclusion of any other items of increase or decrease, produce a net increase in the unfunded actuarial accrued liability in the fund, the established date for full funding shall be determined using the following procedure:

(i) the unfunded actuarial accrued liability of the fund shall be determined in accordance with the plan provisions governing annuities and retirement benefits and the actuarial assumptions in effect before an applicable change;

(ii) the level annual dollar contribution or level percentage, whichever is applicable, which is needed to amortize the unfunded actuarial accrued liability amount determined pursuant to subclause (i) by the established date for full funding in effect prior to the change shall be calculated using the interest assumption specified in subdivision 4d in effect before the change;

(iii) the unfunded actuarial accrued liability of the fund shall be determined in accordance with any new plan provisions governing annuities and benefits payable from the fund and any new actuarial assumptions and the remaining plan provisions governing annuities and benefits payable from the fund and actuarial assumptions in effect before the change;

(iv) the level annual dollar contribution or level percentage, whichever is applicable, which is needed to amortize the difference between the unfunded actuarial accrued liability amount calculated pursuant to subclause (i) and the unfunded actuarial accrued

liability amount calculated pursuant to subclause (iii) over a period of 30 years from the end of the plan year in which the applicable change is effective shall be calculated using the applicable interest assumption specified in subdivision 4d in effect after any applicable change;

(v) the level annual dollar or level percentage amortization contribution pursuant to subclause (iv) shall be added to the level annual dollar amortization contribution or level percentage calculated pursuant to subclause (ii);

(vi) the period in which the unfunded actuarial accrued liability amount determined in subclause (iii) will be amortized by the total level annual dollar or level percentage amortization contribution computed pursuant to subclause (v) shall be calculated using the interest assumption specified in subdivision 4d in effect after any applicable change, rounded to the nearest integral number of years, but which shall not exceed a period of 30 years from the end of the plan year in which the determination of the established date for full funding using the procedure set forth in this clause is made and which shall not be less than the period of years beginning in the plan year in which the determination of the established date for full funding using the procedure set forth in this clause is made and ending by the date for full funding in effect before the change; and

(vii) the period determined pursuant to subclause (vi) shall be added to the date as of which the actuarial valuation was prepared and the date obtained shall be the new established date for full funding.

For the Minneapolis employees retirement fund, the established date for full funding shall be June 30, 2017.

Sec. 96. Minnesota Statutes 1988, section 356.30, subdivision 1, is amended to read:

Subdivision 1. [ELIGIBILITY; COMPUTATION OF ANNUITY.]

(1) Notwithstanding any provisions to the contrary of the laws governing the funds enumerated in subdivision 3, a person who has met the qualifications of clause (2) may elect to receive a retirement annuity from each fund in which the person has at least six months allowable service, based on the allowable service in each fund, subject to the provisions of clause (3).

(2) A person may receive upon retirement, in lieu of any augmentation of deferred annuities provided by laws governing the funds enumerated in subdivision 3, a retirement annuity from each fund in which the person has at least six months allowable service if

(a) the person has allowable service totaling five or more years an

amount that allows the person to receive an annuity in any two or more of the enumerated funds;

(b) the person has at least six months of allowable service with the last such fund earned during the last period of employment; and

(c) the person has not begun to receive an annuity from any enumerated fund or the person has made application for benefits from all funds within a six-month period.

(3) The retirement annuity from each fund shall be based upon the allowable service in each fund, except that:

(a) The laws governing annuities shall be the law in effect on the date of final termination from the last public service under a covered fund.

(b) The "average salary" on which the annuity from each covered fund in which the employee has credit in a formula plan shall be based on the employee's highest five successive years of covered salary during the entire service in covered funds.

(c) The formula percentages to be used by each fund shall be those percentages prescribed by each fund's formula as continued for the respective years of allowable service from one fund to the next, recognizing all previous allowable service with the other covered funds.

(d) Allowable service in all the funds shall be combined in determining eligibility for and the application of each fund's provisions in respect to actuarial reduction in the benefit amount for retirement prior to normal retirement.

(e) The benefit amount payable for any allowable service under a nonformula plan of a covered fund shall not be affected but such service and covered salary shall be used in the above calculation.

(f) This section shall not apply to any person whose final termination from the last public service under a covered fund is prior to May 1, 1975.

(g) For the purpose of computing benefits under this section the formula percentages used by any covered fund shall in no event exceed 2½ percent per year of service for any year of service or fraction thereof.

(h) Any period of time for which a person has credit in more than one of the covered funds shall be used only once for the purpose of determining total allowable service.

(i) If the period of duplicated service credit is more than six months, or the person has credit for more than six months with each of the funds, each fund shall apply its formula to a prorated service credit for the period of duplicated service based on a fraction of the salary on which deductions were paid to that fund for the period divided by the total salary on which deductions were paid to all funds for the period.

(j) If the period of duplicated service credit is less than six months, or when added to other service credit with that fund is less than six months, the service credit shall be ignored and a refund of contributions made to the person in accord with that fund's refund provisions.

Sec. 97. Minnesota Statutes 1988, section 356.32, subdivision 1, is amended to read:

Subdivision 1. [PROPORTIONATE RETIREMENT ANNUITY.] Notwithstanding any provision to the contrary of the laws governing any of the retirement funds referred to in subdivision 2, any person who is an active member of any applicable fund, who has credit for at least one year but less than ten years of allowable service in one or more of the applicable funds, and who terminates active service pursuant to a mandatory retirement law or policy or at age 65 or older, or the normal retirement age if this age is not age 65, for any reason shall be entitled upon making written application on the form prescribed by executive director or executive secretary of the fund to a proportionate retirement annuity from each applicable fund in which the person has allowable service credit. The proportionate annuity shall be calculated under the applicable laws governing annuities based upon allowable service credit at the time of retirement and the person's average salary for the highest five successive years of allowable service or the average salary for the entire period of allowable service if less than five years. Nothing in this section shall prevent the imposition of the appropriate early retirement reduction of an annuity which commences prior to normal retirement age.

Sec. 98. [FIRST CLASS CITY TEACHER FUNDS.]

In accordance with Minnesota Statutes, section 354A.12, subdivision 4, approval is granted for the teachers retirement fund associations in each of the cities of the first class to amend their articles of incorporation or bylaws in the manner specified in this section. The amendments apply only to basic members in the Minneapolis teachers retirement fund association and the St. Paul teachers retirement fund association, and to old law coordinated program members in the Duluth teachers retirement fund association.

(a) For purposes of this paragraph, the retirement formula percentages are:

(1) for Minneapolis teachers retirement fund: 2.25 percent for each year of service;

(2) for St. Paul teachers retirement fund: 2.0 percent for each year of service; and

(3) for Duluth teachers retirement fund old coordinated plan: 1.25 percent for each year of service.

A member whose age plus credited allowable service totals 90 years, is entitled upon termination of active service and application, to a normal retirement annuity provided in the articles and bylaws without any reduction in the amount of the annuity by reason of early retirement unless the benefit in paragraph (b) in conjunction with paragraph (c) produces a higher annuity in which case, paragraph (b) applies. A member who retires before the normal retirement age shall be provided a normal retirement annuity provided in the articles and bylaws, reduced by one-fourth of one percent for each month that the employee is under normal retirement age at the time of retirement unless the benefit in paragraph (b) in conjunction with paragraph (c) produces a higher annuity, in which case paragraph (b) applies. For the Minneapolis teachers retirement association, this paragraph applies only to basic members with less than 30 years of service who have attained age 55. For Minneapolis teachers retirement fund basic members who were first hired after July 1, 1977, and who have 30 or more years of service, the early retirement penalty contained in the articles and bylaws is repealed.

(b) This paragraph applies only to a member whose annuity, when calculated under this paragraph in conjunction with paragraph (c), is higher than when calculated under paragraph (a). The average salary, as specified in the bylaws of St. Paul teachers retirement fund association, the bylaws of Duluth teachers retirement fund association, and the bylaws of Minneapolis teachers retirement fund association, multiplied by 2.5 percent for each year of service for basic members and 1.5 percent for each year of service for old coordinated members of Duluth teachers retirement fund association, shall determine the amount of the retirement annuity to which a member is entitled.

(c) This paragraph applies only to a member whose annuity under paragraph (b) in conjunction with this paragraph is higher than when calculated under paragraph (a). A member who retires under the formula annuity specified in paragraph (b) before the normal retirement age defined in section 354A.011, shall be paid the normal annuity provided in paragraph (b) reduced so that the reduced annuity is the actuarial equivalent of the annuity that would be payable to the employee if the employee deferred receipt of the annuity and the annuity amount were augmented at an annual rate

of three percent compounded annually from the day the annuity begins to accrue until the normal retirement age.

(d) The interest rate to be paid on refunds is six percent per annum compounded annually.

(e) Any joint and survivor annuity option is subject to an automatic bounce-back annuity as provided in section 354A.32, subdivision 1a.

(f) A member who is eligible for a deferred retirement annuity shall have the annuity augmented as provided in section 354A.37, subdivision 2.

(g) The first class city teachers retirement funds, may provide optional annuity forms to its retirement program which are the actuarial equivalent of its normal retirement annuity. For all optional forms, the board shall obtain the written recommendation of an approved actuary and the recommendation shall be a part of the permanent records of the board.

Sec. 99. [356.81] [SAVINGS CLAUSE.]

The intent of the legislature in sections 352.01, subdivision 25; 353.01, subdivision 35; 354.05, subdivision 38; and 354A.011, subdivision 15a is to create a normal retirement age for persons first covered by those sections after the effective date of those sections that is the same as the retirement age in the federal Social Security law, including future amendments to that law. If a court determines that the legislature may not incorporate by reference the future changes in federal Social Security law, the legislature reserves the right to amend the appropriate sections to make the normal retirement conform to the retirement age in the federal Social Security law. No person first covered by any of those sections after the effective date of those sections has a right to a normal retirement age that is less than the retirement age in the federal Social Security law.

Sec. 100. [356.85] [REVIEW OF RULE OF 90.]

By September 1, 1993, the executive directors of the teachers retirement association, the state retirement system, and each teachers retirement fund association in a city of the first class must calculate the number of employees who were eligible to retire without any reduction in their annuity due to early retirement because their attained age plus credited allowable service totaled 90 years between the effective date of sections 352.116; 354.44, subdivision 6; 354A.31, subdivision 6, and 98 and June 30, 1993. The executive directors must also calculate the number of these employees who did retire early and who received an unreduced annuity

because their attained age plus credited allowable service totaled 90 years. The executive directors must report the results of their calculation to the executive director of the legislative commission on pensions and retirement. If the calculation shows that number of employees from all of the systems combined who did retire under the rule of 90 is more than 45 percent of the number from all the systems who were eligible to retire under the rule of 90, sections 352.116, subdivision 1, paragraph (b), section 354.44, subdivision 6, clause (3)(iii), section 354A.31, subdivision 6, paragraph (b), and any provision in the bylaws or articles of incorporation of a teachers retirement fund association in the city of the first class that permits unreduced retirement under the rule of 90 are not effective after June 30, 1994. The executive directors must make a similar combined calculation before September 1, 1998 and September 1 every five years after that, based on use of the rule of 90 during the four year period ending on the most recent June 30. If any calculation shows that the number of employees who retired under the rule of 90 is more than 45 percent of the number eligible to retire under the rule of 90, sections 352.116, subdivision 1, paragraph (b), section 354.44, subdivision 6, clause (3)(iii), section 354A.31, subdivision 6, paragraph (b), and any provision in the bylaws or articles of incorporation of a teachers retirement fund association in the city of the first class that permits unreduced retirement under the rule of 90 are not effective after the following June 30. The legislature reserves the right to amend or repeal sections 352.116, subdivision 1, paragraph (b), section 354.44, subdivision 6, clause (3)(iii), section 354A.31, subdivision 6, paragraph (b), and any provision in the bylaws or articles of incorporation of a teachers retirement fund association in the city of the first class that permits unreduced retirement under the rule of 90, effective July 1, 1994 and July 1 every fifth year after 1994.

Sec. 101. [REPEALER.]

Minnesota Statutes 1988, section 354A.32, subdivision 2, is repealed.

Sec. 102. [EFFECTIVE DATE.]

Sections 1 to 101 are effective May 16, 1989. Sections 90 and 98, paragraph (f), are effective May 16, 1989, and apply retroactively to a person who is eligible for a deferred retirement annuity on that date, and whose retirement annuity has not begun to accrue.

ARTICLE 14

PARTIAL POSTRETIREMENT ADJUSTMENTS

Section 1. Minnesota Statutes 1988, section 11A.18, subdivision 9, is amended to read:

Subd. 9. [CALCULATION OF POSTRETIREMENT ADJUSTMENT.] Annually, following June 30, the state board shall determine whether a postretirement adjustment shall be is payable and shall determine the amount of any postretirement adjustment which shall be that is payable.

(1) The state board shall determine whether a postretirement adjustment shall be is payable using the following procedure:

(a) The state board shall determine the amount of dividends, interest, accruals and realized capital gains or losses applicable to the most recent fiscal year ending June 30;

(b) The amount of reserves required for the annuity or benefit payable to an annuitant and benefit recipient of the participating public pension plans or funds shall be determined by the commission-retained actuary as of the current June 30. An annuitant or benefit recipient who has been receiving an annuity or benefit for at least ~~one~~ one year 12 full months as of the current June 30 shall be eligible to receive a full postretirement adjustment. An annuitant or benefit recipient who has been receiving an annuity or benefit for at least one full month, but less than 12 full months as of the current June 30, is eligible to receive a partial postretirement adjustment. Each fund shall report separately the amount of the reserves for those annuitants and benefit recipients who are eligible to receive a full postretirement benefit adjustment and. This amount is known as "eligible reserves." Each fund shall also report separately the amount of the reserves for those annuitants and benefit recipients who are not eligible to receive a postretirement adjustment shall be reported separately. This amount is known as "noneligible reserves." For an annuitant or benefit recipient who is eligible to receive a partial postretirement adjustment, each fund shall report separately as additional "eligible reserves" an amount that bears the same ratio to the total reserves required for the annuitant or benefit recipient as the number of full months of annuity or benefit receipt as of the current June 30 bears to 12 full months. The remainder of the annuitant's or benefit recipient's reserves shall be separately reported as additional "noneligible reserves." The amount of the "eligible" and "noneligible" required reserves shall be certified to the board by the commission-retained actuary as soon as is practical following the current June 30;

(c) The state board shall determine the amount of investment income required to equal five percent of the total amount of the required reserves as of the preceding June 30 adjusted by five percent of each transfer in or transfer out multiplied by the fraction of a year from the date of transfer to the current June 30. This amount of required investment income shall be subtracted from the actual amount of investment income determined according to clause (1)(a), to determine the amount of excess investment income. If this amount is positive, then a postretirement adjustment may be paid.

(2) The state board shall determine the amount of any postretirement adjustment which is payable using the following procedure:

(a) The state board shall determine the amount of excess investment income by the method indicated in clause (1);

(b) The total "eligible" required reserves as of the first of January next following the end of the fiscal year for the annuitants and benefit recipients eligible to receive the a full or partial postretirement adjustment as determined by clause (1)(b) shall be certified to the state board by the commission-retained actuary. The total "eligible" required reserves shall be determined by the commission-retained actuary on the assumption that all annuitants and benefit recipients eligible to receive the a full or partial postretirement adjustment will be alive on the January 1 in question;

(c) If the state board determines that the book value of the assets of the fund is less than an amount equal to the total amount of the current June 30 required reserves, with the book value and required reserves to be determined after the adjustments provided for in subdivision 11, then the state board shall allocate five percent of the excess investment income as an asset of the fund. The excess investment income allocated as an asset of the fund shall not exceed the difference between book value and required reserves. The remaining amount shall be termed available for distribution. The book value of assets on any given date shall be the net assets at cost less the excess investment income determined pursuant to clause (1)(c);

(d) The resulting total amount available for distribution shall be increased by $2\frac{1}{2}$ percent, and the result shall be stated as a percentage of the total amount of the required reserves pursuant to clause (2)(b), and if the percentage is equal to or greater than one percent, the amount shall be certified to each participating public pension fund or plan as the amount of the full postretirement adjustment amount. If the percentage is less than one percent, no postretirement adjustment shall be payable in that year and the amount otherwise available for distribution shall be credited to a separate reserve established for this purpose. The reserve shall be invested in the same manner as all other assets of the fund and shall be credited with any investment income as specified in clause (1)(a). Amounts credited to the reserve shall be utilized in determining a postretirement adjustment in the subsequent year. The amount of any full postretirement adjustment certified by the state board as payable to the participating public pension plans or funds shall be carried to five decimal places and stated as a percentage.

(e) A retirement annuity payable in the event of retirement before becoming eligible for social security benefits as provided in section 352.116, subdivision 3; 353.29, subdivision 6; or 354.35 must be treated as the sum of a period certain retirement annuity and a life

retirement annuity for the purposes of any postretirement adjustment. The period certain retirement annuity plus the life retirement annuity shall be the annuity amount payable until age 62 or 65, whichever applies. A postretirement adjustment granted on the period certain retirement annuity must terminate when the period certain retirement annuity terminates.

Sec. 2. Minnesota Statutes 1988, section 11A.18, subdivision 10, is amended to read:

Subd. 10. [PAYMENT OF POSTRETIREMENT ADJUSTMENT.] Upon receiving the certification of the amount of the full postretirement adjustment from the state board, each participating public pension fund or plan shall determine the amount of the postretirement adjustment payable to each eligible annuitant and benefit recipient. The dollar amount of the postretirement adjustment payable to each annuitant or benefit recipient shall be calculated by applying the certified postretirement adjustment percentage to the amount of the monthly annuity or benefit payable to each eligible annuitant or benefit recipient eligible for a full adjustment.

The dollar amount of the partial postretirement adjustment payable to each annuitant or benefit recipient eligible for a partial adjustment shall be calculated by first determining a partial percentage amount that bears the same ratio to the certified full adjustment percentage amount as the number of full months of annuity or benefit receipt as of the current June 30 bears to 12 full months. The partial percentage amount determined shall then be applied to the amount of the monthly annuity or benefit payable to each annuitant or benefit recipient eligible to receive a partial postretirement adjustment. The postretirement adjustment adjustments shall commence to be paid on January 1 following the calculations required pursuant to this section and shall thereafter be included in the monthly annuity or benefit paid to the recipient. Notwithstanding section 356.18, any adjustment adjustments pursuant to this section shall be paid automatically unless the intended recipient files a written notice with the applicable participating public pension fund or plan requesting that the adjustment not be paid.

Sec. 3. [EFFECTIVE DATES.]

Sections 1 and 2 are effective the day following final enactment.

ARTICLE 15

PRE 1973 RETIREES

Section 1. [356.85] [POSTRETIREMENT ADJUSTMENT; LUMP SUM PAYMENTS.]

Subdivision 1. [ENTITLEMENT.] A person who is receiving a retirement annuity, a disability benefit or a surviving spouse's annuity or benefit from a retirement fund specified in subdivision 3, clauses (1) to (8) is entitled to receive a postretirement adjustment from the applicable retirement fund in the amount specified in subdivision 2, if the annuity or benefit was computed under:

(1) the laws in effect before June 1, 1973, if the person is receiving an annuity or benefit from the retirement fund specified in subdivision 3, clause (4); or

(2) the laws in effect before July 1, 1973, if the person is receiving an annuity or benefit from a retirement fund specified in subdivision 3, clause (1), (2), (3), or (5); or

(3) the metropolitan transit commission-transit operating division employees retirement fund plan document in effect on or before December 31, 1977, if the person is receiving a retirement annuity, a disability benefit or a surviving spouse's annuity or benefit from the retirement fund specified in subdivision 3, clause (5); or

(4) the laws in effect before May 1, 1974 and before any adjustment under Laws 1987, chapter 372, article 3, if the person is receiving an annuity or benefit from the retirement fund specified in subdivision 3, clause (6); or

(5) the laws in effect before January 1, 1970, if the person is receiving an annuity or benefit from the retirement fund specified in subdivision 3, clause (7); or

(6) the laws in effect before June 30, 1971, if the person is receiving an annuity or benefit from the retirement fund specified in subdivision 3, clause (8).

Subd. 2. [AMOUNT OF POSTRETIREMENT ADJUSTMENT; PAYMENT.] (a) For any person receiving an annuity or benefit on November 30, 1989, and entitled to receive a postretirement adjustment under subdivision 1, the postretirement adjustment is a lump sum payment calculated under paragraph (b) or (c).

(b) For coordinated plan members the postretirement adjustment in 1989 is \$25 for each full year of allowable service credited to the person by the respective retirement fund. In 1990 and each following year the postretirement adjustment is the amount payable in the preceding year increased by the same percentage applied to regular annuities paid from the postretirement fund or, for the retirement funds specified in subdivision 3, clauses (6), (7), and (8), by the same percentage applied under the articles of incorporation and bylaws of these funds.

(c) For basic plan members the postretirement adjustment, in 1989 is the greater of:

(1) \$25 for each full year of allowable service credited to the person by the respective retirement fund; or

(2) the difference between:

(i) the product of \$400 times the number of full years of allowable service credited to the person by the respective retirement fund; and

(ii) the sum of the benefits payable to the person from any Minnesota public employee pension plan, and cash benefits payable to the person from the social security administration.

In 1990 and each following year each basic plan member shall receive the amount received in the preceding year increased by the same percentage applied to regular annuities paid from the postretirement fund or, for the retirement funds specified in subdivision 3, clauses (6), (7), and (8), by the same percentage applied under the articles of incorporation and bylaws of these funds.

(d) The postretirement adjustment provided for in this section is payable for those persons receiving an annuity or benefit on November 30, 1989, on December 1, 1989. In subsequent years the adjustment must be paid on December 1, unless the beneficiary is entitled to participate in an optional benefit receipt schedule under subdivision 4. This section does not authorize the payment of a postretirement adjustment to an estate. Notwithstanding section 356.18, the postretirement adjustment provided for in this section must be paid automatically unless the intended recipient files a written notice with the retirement fund requesting that the postretirement adjustment not be paid.

Subd. 3. [COVERED RETIREMENT FUNDS.] The postretirement adjustment provided in this section applies to the following retirement funds:

(1) public employees retirement fund;

(2) public employees police and fire fund;

(3) teachers retirement fund;

(4) state patrol retirement fund;

(5) state employees retirement fund of the Minnesota state retirement system;

(6) Minneapolis teachers retirement fund association established under chapter 354A;

(7) St. Paul teachers retirement fund association, established under chapter 354A; and

(8) Duluth teachers retirement fund association established under chapter 354A.

Subd. 4. [OPTIONAL BENEFIT PAYMENT SCHEDULE.] Basic plan benefit recipients receiving adjustments under subdivision (2), clause (2)(b) and whose adjustment exceeds 20 percent of their Minnesota plan benefit may elect to have the amount of the benefit adjustment paid in equal monthly amounts instead of receiving a benefit adjustment on December 1 of each year. Selection of this option must be made by the recipient in writing on forms prepared by the retirement association.

Subd. 5. [SOCIAL SECURITY INFORMATION.] To be eligible for a benefit adjustment calculated under subdivision 2, clause (2)(b), a person must authorize the social security administration to release to the retirement association information on the person's social security cash benefits.

Subd. 6. [REPORT.] By September 30, 1990, the retirement funds listed in subdivision 3 shall report to the legislature and the commissioner of finance on the number of benefit recipients eligible for each type of adjustment established in subdivision 2, the annual cost of each type of adjustment, and the estimated actuarial liability associated with each.

Sec. 2. [POSTRETIREMENT ADJUSTMENT; LUMP SUM PAYMENTS; MINNEAPOLIS EMPLOYEES RETIREMENT FUND.]

Subdivision 1. [ENTITLEMENT.] Any person who is receiving either an annuity that was computed under the laws in effect before March 5, 1974, or a "\$2 bill and annuity" annuity from the Minneapolis employees retirement fund is entitled to receive a postretirement adjustment from the applicable retirement fund in the amount specified in subdivision 2.

Subd. 2. [AMOUNT OF POSTRETIREMENT ADJUSTMENT; PAYMENT.] For any person receiving an annuity or benefit on November 30, 1989, or on November 30, 1990, and entitled to receive a postretirement adjustment under subdivision 1, the postretirement adjustment under subdivision 1, the postretirement adjustment is a lump sum payment in an amount equal to \$25 during 1989 and \$25 during 1990 for each full year of allowable service credited to the person by the respective retirement fund.

The postretirement adjustment provided in this section is payable for those persons receiving an annuity or benefit on November 30, 1989, on December 1, 1989, and for those persons receiving an annuity or benefit on November 30, 1990, on December 1, 1990. This section does not authorize the payment of a postretirement adjustment to an estate. Notwithstanding Minnesota Statutes, section 356.18, the postretirement adjustment provided for in this section must be paid automatically unless the intended recipient files a written notice with the retirement fund requesting that the postretirement adjustment not be paid.

Subd. 3. [APPROPRIATION AND TERMINAL AUDIT.] To fund the postretirement benefits provided in this section for eligible persons in the Minneapolis employees retirement fund, there is appropriated from the general fund the amount of \$773,000 for fiscal year 1990 and \$773,000 for fiscal year 1991. The Minneapolis employees retirement fund shall, as soon as practical following the payment of the postretirement adjustment, calculate the amount of any appropriation apportioned to it that is in excess of the amounts required to pay the postretirement adjustments provided in this section. The calculations required by this subdivision must be reported to and verified by the commissioner of finance. Amounts equal to reported excess appropriations must be returned to the general fund.

ARTICLE 16 LEGISLATORS

Section 1. Minnesota Statutes 1988, section 3A.01, is amended by adding a subdivision to read:

Subd. 6a. [SALARY.] "Salary" means the regular compensation payable under law to legislators and paid to the person for service as a legislator. The term includes the monthly compensation paid to the legislator, and the per diem payments paid during a regular or special session to the legislator. The term does not include per diem payments paid other than during the regular or special session, additional compensation attributable to a leadership position under section 3.099, subdivision 3, living expense payments under section 3.101, and special session living expense payments under section 3.103.

Sec. 2. Minnesota Statutes 1988, section 3A.01, subdivision 7, is amended to read:

Subd. 7. [AVERAGE MONTHLY SALARY.] With regard to any member of the legislature whose service terminates prior to the beginning of the 1981 legislative session, "average monthly salary" means final monthly salary during the member's final term of office as a member of the legislature; and with regard to any member of the legislature whose service terminates after the beginning of the 1981 legislative session, "Average monthly salary" means the average of the member's highest five successive years of salary received as a member of the legislature after the beginning of the 1981

legislative session, or all the years and months salary after the beginning of the 1981 legislative session if the member's service after the beginning of the 1981 legislative session is less than five years. Any additional payments provided by law for legislative leadership positions shall not be included in any calculation of the average monthly salary of a legislator or former legislator and upon which the member has made contributions under section 3A.03, subdivision 1, payments for past service under section 3A.02, subdivision 2, or payments in lieu of contributions under section 3A.031.

Sec. 3. Minnesota Statutes 1988, section 3A.02, subdivision 1, is amended to read:

Subdivision 1. [QUALIFICATIONS.] Any (a) A former legislator is entitled, upon written application to the director, to receive a retirement allowance monthly, if the person:

(1) ~~Who~~ has served at least six full years, without regard to the application of section 3A.10, subdivision 2, or who has served during all or part of four regular sessions as a member of the legislature, which service need not be continuous, ~~but must have been after January 1, 1965 except as hereinafter provided; and~~

(2) ~~who attains~~ has attained the normal retirement age; ~~and~~

(3) ~~Who~~ has retired as a member of the legislature; and

(4) ~~Who~~ has made all contributions provided for in section 3A.03, or who has made payments in lieu of all contributions provided for in section 3A.03 as provided for in for past service under subdivision 2, or has made payments in lieu of contributions under section 3A.031; shall be entitled upon written application to the director to receive a retirement allowance monthly.

(b) For service rendered ~~prior to before~~ the beginning of the 1979 legislative session, but not to exceed eight years of service, the retirement allowance ~~shall be~~ is an amount equal to five percent per year of service of that member's average monthly salary. For service in excess of eight years rendered ~~prior to before~~ the beginning of the 1979 legislative session, and for service rendered after the beginning of the 1979 legislative session, the retirement allowance ~~shall be~~ is an amount equal to 2½ percent per year of service of that member's average monthly salary.

(c) The retirement allowance shall ~~accerue~~ accrues beginning with the first day of the month of receipt of the application and for the remainder of the former legislator's life, ~~provided if~~ the former legislator is not serving as a member of the legislature or as a

constitutional officer or commissioner, as defined in section 352C.021, subdivisions 2 and 3.

(d) Any member who has served during all or part of four regular sessions ~~shall be deemed~~ is considered to have served eight years as a member of the legislature.

(e) The retirement allowance ~~shall cease~~ ceases with the last payment ~~which had~~ that accrued to the retired legislator during the retired legislator's lifetime, except that the surviving spouse, if any, ~~shall be~~ is entitled to the retirement allowance for the calendar month in which the retired legislator died.

~~Effective for service rendered after the beginning of the 1981 legislative session, no member may accrue credit for more than 20 years service, nor shall member contributions thereafter be required for more than 20 years service.~~

Sec. 4. Minnesota Statutes 1988, section 3A.02, subdivision 1b, is amended to read:

Subd. 1b. [REDUCED RETIREMENT ALLOWANCE.] Upon separation from service after the beginning of the 1981 legislative session, a former member of the legislature who has attained the age of at least 60 years and who is otherwise qualified in accordance with subdivision 1 is entitled upon making written application on forms supplied by the director to a retirement allowance in an amount equal to the retirement allowance specified in subdivision 1 ~~reduced by one half of one percent for each month that the former member of the legislature is under so that the reduced annuity is the actuarial equivalent of the annuity that would be payable if the former member of the legislature deferred receipt of the annuity and the annuity amount were augmented at an annual rate of three percent compounded annually from the date the annuity begins to accrue until age 62.~~

Sec. 5. Minnesota Statutes 1988, section 3A.02, subdivision 4, is amended to read:

Subd. 4. [DEFERRED ANNUITIES AUGMENTATION.] The deferred annuity of any former legislator shall be augmented as provided herein. The required reserves applicable to the deferred annuity, determined as of the date the benefit begins to accrue using an appropriate mortality table and an interest assumption of five percent, shall be augmented from the first of the month following termination of service, or July 1, 1973, whichever is later, to the first day of the month in which the annuity begins to accrue, at the rate of five percent per annum compounded annually until January 1, 1981, and thereafter at the rate of three percent per annum compounded annually until January 1 of the year in which the

former legislator attains age 55. From that date to the effective date of retirement, the rate is five percent compounded annually.

Sec. 6. [3A.031] [PAYMENTS IN LIEU OF MEMBER CONTRIBUTIONS IN CERTAIN INSTANCES.]

A member may make a payment in lieu of member contributions on all or a portion of the member's per diem payments that were paid during the regular and special sessions after December 31, 1984, and before July 1, 1989. The amount of the payment is nine percent of the regular or special session per diem payments paid during the applicable period, plus interest at the annual rate of six percent, compounded annually, from the date the per diem payment was made to the date on which the payment in lieu of member contributions is made.

Sec. 7. [TRANSITIONAL PROVISION.]

A member of the legislature on the effective date of this section to whom the service limit in Minnesota Statutes 1988, section 3A.02, subdivision 1, applies is entitled to again accrue service credit in and have member contributions deducted for crediting to the legislators retirement plan, effective with the start of the 1989 legislative session.

Sec. 8. [REPEALER.]

Section 6 is repealed, effective July 1, 1994.

Sec. 9. [EFFECTIVE DATE.]

Sections 1 to 8 are effective the day following final enactment. Section 7 applies retroactively to January 1, 1989.

ARTICLE 17

POLICE AND FIRE

Section 1. Minnesota Statutes 1988, section 352.116, is amended by adding a subdivision to read:

Subd. 3a. [BOUNCE BACK ANNUITY.] (a) The board of trustees must provide a joint and survivor annuity option to members of the correctional employees and state patrol retirement funds. Under this option, a former member or disabilitant must receive a normal single life annuity if the designated optional annuity beneficiary dies before the former member or disabilitant. Under this option, no reduction may be made in the person's annuity to provide for restoration of the normal single life annuity in the event of the death of the designated optional annuity beneficiary.

(b) A former member or disabilitant of the correctional or state patrol fund who selected an optional joint and survivor annuity before July 1, 1989, but did not choose an option that provides that the normal single life annuity is payable to the former member or the disabilitant if the designated optional annuity beneficiary dies first, is eligible for restoration of the normal single life annuity if the designated optional annuity beneficiary dies first, without further actuarial reduction of the person's annuity. A former member or disabilitant who selected an optional joint and survivor annuity, but whose designated optional annuity beneficiary died before July 1, 1989, shall receive a normal single life annuity after that date, but shall not receive retroactive payments for periods before that date.

(c) A former member or disabilitant who took a further actuarial reduction to elect an optional joint and survivor annuity that provides that the normal annuity is payable to the former member or disabilitant if the designated optional beneficiary died before July 1, 1989, shall have their annuity increased as of July 1, 1989, to the amount the person would have received if, at the time of retirement or disability, the person had selected only optional survivor coverage that would not have provided for restoration of the normal annuity upon the death of the designated optional annuity beneficiary. Any annuity or benefit increase under this paragraph is effective only for payments made after June 30, 1989, and is not retroactive for payments made before July 1, 1989.

Sec. 2. Minnesota Statutes 1988, section 352.93, subdivision 2, is amended to read:

Subd. 2. [CALCULATING MONTHLY ANNUITY.] The monthly annuity under this section must be determined by multiplying the average monthly salary by the number of years, or completed months, of covered correctional service by 2.5 percent for the first 25 years of correctional service and two percent for each year after that. However, the monthly annuity must not exceed 75 percent of the average monthly salary.

Sec. 3. Minnesota Statutes 1988, section 352.93, is amended by adding a subdivision to read:

Subd. 2a. [EARLY RETIREMENT.] Any covered correctional employee who has attained the age of at least 50 and who has at least five years of allowable service is entitled upon application to a retirement annuity equal to the normal annuity calculated under subdivision 2, reduced so that the reduced annuity is the actuarial equivalent of the annuity that would be payable if the employee deferred receipt of the annuity from the day the annuity begins to accrue to age 55.

Sec. 4. Minnesota Statutes 1988, section 352.95, subdivision 1, is amended to read:

Subdivision 1. [JOB-RELATED DISABILITY.] A covered correctional employee less than 55 years old who becomes disabled and physically unfit to perform the duties of the position as a direct result of an injury, sickness, or other disability incurred in or arising out of any act of duty that makes the employee physically or mentally unable to perform the duties, is entitled to a disability benefit based on covered correctional service only. The benefit amount must equal 50 percent of the average salary defined in section 352.93, plus an additional 2½ percent for each year of covered correctional service in excess of 20 years but not in excess of 25 years; and two percent for each year of covered correctional service in excess of 25 years, prorated for completed months, to a maximum monthly benefit of 75 percent of the average monthly salary.

Sec. 5. Minnesota Statutes 1988, section 352.95, subdivision 2, is amended to read:

Subd. 2. [NON-JOB-RELATED DISABILITY.] Any covered correctional employee who, after at least five years one year of covered correctional service, before reaching the age of 55 becomes disabled and physically unfit to perform the duties of the position because of sickness or injury occurring while not engaged in covered employment, is entitled to a disability benefit based on covered correctional service only. The disability benefit must be computed as provided in section 352.93, subdivisions 1 and 2, and computed as though the employee had at least ten 15 years of covered correctional service.

Sec. 6. Minnesota Statutes 1988, section 352B.08, subdivision 2, is amended to read:

Subd. 2. [NORMAL RETIREMENT ANNUITY.] The annuity must be paid in monthly installments. The annuity shall be equal to the amount determined by multiplying the average monthly salary of the member by 2½ percent for each year and pro rata for completed months of service not exceeding 25 years and two percent for each year and pro rata for completed months of service in excess of 25 years.

Sec. 7. Minnesota Statutes 1988, section 352B.08, is amended by adding a subdivision to read:

Subd. 2a. [EARLY RETIREMENT.] Any member who has attained the age of at least 50 and who has at least five years of allowable service is entitled upon application to a retirement annuity equal to the normal annuity calculated under subdivision 2, reduced so that the reduced annuity is the actuarial equivalent of

the annuity that would be payable if the member deferred receipt of the annuity from the day the annuity begins to accrue to age 55.

Sec. 8. Minnesota Statutes 1988, section 352B.10, subdivision 1, is amended to read:

Subdivision 1. [INJURIES, PAYMENT AMOUNTS.] Any member less than 55 years old, who becomes disabled and physically or mentally unfit to perform duties as a direct result of an injury, sickness, or other disability incurred in or arising out of any act of duty, shall receive disability benefits while disabled. The benefits must be paid in monthly installments equal to the member's average monthly salary multiplied (1) by 50 percent and, (2) by plus an additional 2½ percent for each year and pro rata for completed months of service in excess of 20 years, but not exceeding 25 years and two percent for each year and pro rata for completed months of service in excess of 25 years if any.

Sec. 9. Minnesota Statutes 1988, section 352B.10, subdivision 2, is amended to read:

Subd. 2. [UNDER 55; DISABLED WHILE NOT ON DUTY.] If a member terminates employment after at least five years one year of service, before reaching the age of 55, because of sickness or injury occurring while not on duty and not engaged in state work entitling the member to membership, and the termination is necessary because the member cannot perform duties, the member is entitled to receive a disability benefit. The benefit must be in the same amount and computed in the same way as if the member were 55 years old at the date of disability and the annuity were paid under section 352B.08. If disability under this clause occurs after five one but before ~~ten~~ 15 years service, the disability benefit must be computed as though the member had ~~ten~~ 15 years service.

Sec. 10. Minnesota Statutes 1988, section 352B.11, subdivision 2, is amended to read:

Subd. 2. [DEATH; PAYMENT TO SPOUSE AND CHILDREN.] If a member serving actively as a member, a member receiving the disability benefit provided by section 352B.10, subdivision 1, or a former member receiving a disability benefit as provided by section 352B.10, subdivision 3, dies from any cause, the surviving spouse and dependent children are entitled to benefit payments as follows:

(a) A member with at least five years of allowable service or a former member with at least 20 years of allowable service is deemed to have elected a 100 percent joint and survivor annuity payable to a surviving spouse only on or after the date the member or former member became or would have become 55.

(b) The surviving spouse of a member who had credit for less than five years of service shall receive, for life, a monthly annuity equal to 20 50 percent of that part of the average monthly salary of the member from which deductions were made for retirement. If the surviving spouse remarries, the annuity shall cease as of the date of the remarriage.

(c) The surviving spouse of a member who had credit for at least five years service and who died after attaining 55 years of age, may elect to receive a 100 percent joint and survivor annuity, for life, notwithstanding a subsequent remarriage, in lieu of the annuity prescribed in paragraph (b).

(d) The surviving spouse of any member who had credit for five years or more and who was not 55 years of age at death, shall receive the benefit equal to 20 50 percent of the average monthly salary as described in clause (b) until the deceased member would have reached the age of 55 years, and beginning the first of the month following that date, may elect to receive the 100 percent joint and survivor annuity. If the surviving spouse remarries before the deceased member's 55th birthdate, benefits or annuities shall cease as of the date of remarriage. Remarriage after the deceased member's 55th birthday shall not affect the payment of the benefit.

(e) Each dependent child shall receive a monthly annuity equal to ten percent of that part of the average monthly salary of the former member from which deductions were made for retirement. A dependent child over 18 and under 22 23 years of age also may receive the monthly benefit provided in this section, if the child is continuously attending an accredited school as a full-time student during the normal school year as determined by the director. If the child does not continuously attend school but separates from full-time attendance during any part of a school year, the annuity shall cease at the end of the month of separation. In addition, a payment of \$20 per month shall be prorated equally to surviving dependent children when the former member is survived by one or more dependent children. Payments for the benefit of any qualified dependent child must be made to the surviving spouse, or if there is none, to the legal guardian of the child. The maximum monthly benefit must not be less than 50 nor exceed 40 70 percent of the average monthly salary for any number of children.

(f) If the member dies under circumstances that entitle the surviving spouse and dependent children to receive benefits under the workers' compensation law, the workers' compensation benefits received by them must not be deducted from the benefits payable under this section.

(g) The surviving spouse of a deceased former member who had credit for five or more years of allowable service, but not the spouse of a former member receiving a disability benefit under section

352B.10, subdivision 3, is entitled to receive the 100 percent joint and survivor annuity at the time the deceased member would have reached the age of 55 years, if the surviving spouse has not remarried before that date. If a former member dies who does not qualify for other benefits under this chapter, the surviving spouse or, if none, the children or heirs are entitled to a refund of the accumulated deductions left in the fund plus interest at the rate of five percent per year compounded annually.

Sec. 11. Minnesota Statutes 1988, section 353.30, is amended by adding a subdivision to read:

Subd. 3a. [BOUNCE BACK ANNUITY.] (a) The board of trustees must provide a joint and survivor annuity option to members of the police and fire fund. Under this option, a former member or disabilitant must receive a normal single life annuity if the designated optional annuity beneficiary dies before the former member or disabilitant. Under this option, no reduction may be made in the person's annuity to provide for restoration of the normal single life annuity in the event of the death of the designated optional annuity beneficiary.

(b) A former member or disabilitant of the police and fire fund who selected an optional joint and survivor annuity before July 1, 1989, but did not choose an option that provides that the normal single life annuity is payable to the former member or the disabilitant if the designated optional annuity beneficiary dies first, is eligible for restoration of the normal single life annuity if the designated optional annuity beneficiary dies first, without further actuarial reduction of the person's annuity. A former member or disabilitant who selected an optional joint and survivor annuity, but whose designated optional annuity beneficiary died before July 1, 1989, shall receive a normal single life annuity after that date, but shall not receive retroactive payments for periods before that date.

(c) A former member or disabilitant who took a further actuarial reduction to elect an optional joint and survivor annuity that provides that the normal annuity is payable to the former member or disabilitant if the designated optional beneficiary died before July 1, 1989, shall have their annuity increased as of July 1, 1989, to the amount the person would have received if, at the time of retirement or disability, the person had selected only optional survivor coverage that would not have provided for restoration of the normal annuity upon the death of the designated optional annuity beneficiary. Any annuity or benefit increase under this paragraph is effective only for payments made after June 30, 1989, and is not retroactive for payments made before July 1, 1989.

Sec. 12. Minnesota Statutes 1988, section 353.651, subdivision 3, is amended to read:

Subd. 3. [RETIREMENT ANNUITY FORMULA.] The average salary as defined in subdivision 2, multiplied by 2½ percent per year of allowable service for the first 25 years and two percent per year of allowable service thereafter, shall determine the amount of the normal retirement annuity. If the member has earned allowable service for performing services other than those of a police officer or firefighter, the annuity representing such service shall be computed in accordance with sections 353.29 and 353.30.

Sec. 13. Minnesota Statutes 1988, section 353.651, is amended by adding a subdivision to read:

Subd. 4. [EARLY RETIREMENT.] Any police officer or firefighter member who has attained the age of at least 50 and who has at least five years of allowable service is entitled upon application to a retirement annuity equal to the normal annuity calculated under subdivision 3, reduced so that the reduced annuity is the actuarial equivalent of the annuity that would be payable to the member if the member deferred receipt of the annuity from the day the annuity begins to accrue until the member attains age 55.

Sec. 14. Minnesota Statutes 1988, section 353.656, subdivision 1, is amended to read:

Subdivision 1. [IN LINE OF DUTY; COMPUTATION OF BENEFITS.] Any member of the police and fire fund less than 55 years of age, who shall become disabled and physically unfit to perform duties as a police officer or firefighter subsequent to June 30, 1973, as a direct result of an injury, sickness, or other disability incurred in or arising out of any act of duty, which shall render the member physically or mentally unable to perform duties as a police officer or firefighter, shall receive disability benefits during the period of such disability. The benefits shall be in an amount equal to 50 percent of the "average salary" pursuant to subdivision 3 plus an additional 2½ percent of said average salary for each year of service in excess of 20 years ~~but not exceeding 25 years and two percent for each year thereafter~~. Should disability under this subdivision occur before the member has at least five years of allowable service credit in the police and fire fund, the disability benefit shall be computed on the "average salary" from which deductions were made for contribution to the police and fire fund.

Sec. 15. Minnesota Statutes 1988, section 353.656, subdivision 3, is amended to read:

Subd. 3. [NONDUTY DISABILITY BENEFIT.] Any member who becomes disabled after not less than five years one year of allowable service, before reaching the age of 55, because of sickness or injury occurring while not on duty as a police officer or firefighter, and by reason of that sickness or injury the member is unable to perform duties as a police officer or firefighter, shall be entitled to receive a

disability benefit. The benefit shall be in the same amount and paid in the same manner as if the member were 55 years of age at the date of disability and the benefit were paid pursuant to section 353.651. If a disability under this subdivision occurs after ~~five~~ one but in less than ~~ten~~ 15 years of allowable service, the disability benefit shall be the same as though the member had at least ~~ten~~ 15 years service. For any member who is employed as a full-time firefighter by the department of military affairs of the state of Minnesota, allowable service as a full-time state military affairs department firefighter credited by the Minnesota state retirement system may be used in meeting the minimum allowable service requirement of this subdivision.

Sec. 16. Minnesota Statutes 1988, section 353.657, subdivision 2, is amended to read:

Subd. 2. The spouse, for life or until remarriage, shall receive a monthly benefit equal to ~~30~~ 50 percent of the member's average full-time monthly salary rate as a police officer or firefighter in effect over the last six months of allowable service preceding the month in which death occurred.

Sec. 17. Minnesota Statutes 1988, section 353.657, subdivision 3, is amended to read:

Subd. 3. Each dependent child, until the child reaches the age of 18 years, shall receive a monthly benefit equal to ~~ten~~ percent of the member's average full-time monthly salary rate as a police officer or firefighter in effect over the last six months of allowable service preceding the month in which death occurred. A dependent child shall receive this benefit until age 23, so long as the child submits evidence of full-time enrollment in an accredited post-secondary educational institution for at least five of the 12 months immediately preceding the month for which benefits are sought. Payments for the benefit of any qualified dependent child ~~under the age of 18~~ years shall be made to the surviving parent, or if there be none, to the legal guardian of the child or to any adult person with whom the child may at the time be living, provided only that the parent or other person to whom any amount is to be paid shall have advised the board in writing that the amount will be held or used in trust for the benefit of the child. The maximum monthly benefit for any one family shall not exceed an amount equal to ~~50~~ 70 percent of the member's specified average monthly salary, and the minimum benefit per family shall not be less than ~~30~~ 50 percent of the member's specified average monthly salary.

Sec. 18. [EFFECTIVE DATE.]

Sections 1 to 17 are effective July 1, 1989.

ARTICLE 18

STATE UNIVERSITY AND COMMUNITY COLLEGE
INDIVIDUAL RETIREMENT ACCOUNT PLAN

Section 1. Minnesota Statutes 1988, section 354.05, subdivision 2a, is amended to read:

Subd. 2a. [EXCEPTIONS.] Notwithstanding subdivision 2, a person who is first employed as a teacher in the state university system or the state community college system after June 30, 1988 1989, is not a member of the fund except for purposes of social security coverage unless the person is covered by section 354B.02, subdivision 2, and has exercised an option under that subdivision to remain remains a member of the fund for all purposes.

Sec. 2. Minnesota Statutes 1988, section 354.05, subdivision 5, is amended to read:

Subd. 5. [MEMBER OF FUND.] The term "member of fund" means every teacher who joins and contributes to the teachers retirement fund as provided in this chapter who has not retired, except a teacher covered by section 354B.02, subdivision 2 or 3, who elects to participate in the individual retirement account plan under chapter 354B.

Sec. 3. Minnesota Statutes 1988, section 354.66, subdivision 2, is amended to read:

Subd. 2. A teacher in the public elementary schools, secondary schools, or technical institutes, or in the community college system or the state university system of the state who has 20 years or more of allowable service in the fund or 20 years or more of full time teaching service in Minnesota public elementary schools, secondary schools, or technical institutes, 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 full-time teaching service, 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. [354B.015] [SOCIAL SECURITY COVERAGE.]

Plan participants under section 354B.02, subdivision 1, and persons electing participation under section 354B.02, subdivision 2 or 3, remain members of the teachers retirement association for purposes of social security coverage only and remain covered by the applicable agreement entered into under section 355.02, but are not members of the association for any other purpose while employed in covered employment.

Sec. 5. Minnesota Statutes 1988, section 354B.02, is amended to read:

354B.02 [COVERED PERSONS.]

Subdivision 1. [PLAN PARTICIPANTS.] Except as provided in subdivision 2, a person who was first employed in covered employment after June 30, ~~1988~~ 1989, shall participate in the plan.

Subd. 2. [PERSONS WITH CERTAIN PRIOR SERVICE.] A person with less than five years of prior allowable service as a member of the teachers retirement association other than in covered employment under section 354B.01, subdivision 2 or 3, who is entitled to a deferred annuity under section 354.55, subdivision 11, and who is first employed in covered employment after June 30, 1988 1989, may, at the person's option, remain a member of the teacher's retirement association for all purposes or elect to participate in the plan. This election must be made within 60 days of the start of covered employment.

Subd. 3. [OPTIONAL PARTICIPATION.] A person with less than five years of allowable service who was first employed in covered employment before July 1, 1989, and who is a coordinated member of the teachers retirement association, may elect to transfer retirement coverage to the plan under section 6. The election must be made on a form provided by the executive director. An election to transfer retirement coverage to the plan must be made before July 1, 1992, and is irrevocable. When a member transfers coverage to the plan, all existing service credits with the association to which the person was entitled before the transfer terminate and may not be restored.

Sec. 6. [354B.03] [COVERAGE TRANSFER.]

Subdivision 1. [PROCEDURE.] If a person with less than five years of allowable service elects a transfer to the plan under section 5, subdivision 2 or 3, the executive director of the teachers retirement association shall transfer from the teachers retirement fund to the plan the person's member contributions plus interest compounded annually at five percent a year. The transfer must be made within 90 days from the date the executive director receives notification of the election. The transfer may not include any amount representing an employer contribution nor any amount representing the repayment of a refund received by the association after the date of enactment of this act.

Subd. 2. [LIMITATIONS.] A transfer to the plan under this section is a transfer to the financial institution selected by a plan administrator to provide annuity contracts or custodial accounts and must be made through the governing board of the system in which the

person electing the transfer is employed in covered employment. No amount may be distributed to the person electing the transfer.

Subd. 3. [ELECTION.] A person with more than five years of allowable service credit who was first employed in covered employment before July 1, 1989, or after June 30, 1989 as provided in section 354B.02, subdivision 2, may elect coverage by the plan. If coverage is elected, accumulated employer and employee contributions and allowable service credit shall remain with the teachers retirement fund and that person shall remain eligible for a deferred annuity from that fund augmented with interest at the rate of five percent computed as specified in section 354.55, subdivision 11. Future contributions only shall be made to the plan.

Sec. 7. Minnesota Statutes 1988, section 354B.04, subdivision 2, is amended to read:

Subd. 2. [EMPLOYER CONTRIBUTIONS.] The employer of persons in covered employment who participate in the plan shall make an employer contribution to the plan in an amount equal to the amount prescribed by section 354.42, subdivision 3, and shall continue to make an additional employer contribution to the teachers retirement association in an amount equal to the amount prescribed by section 354.42, subdivision 5.

Sec. 8. Minnesota Statutes 1988, section 354B.05, subdivision 3, is amended to read:

Subd. 3. [SELECTION OF FINANCIAL INSTITUTIONS.] The state university board and the community college board shall select no more than three financial institutions to provide annuity contracts or custodial accounts. Each board may at its discretion change a selection of an institution. Investment programs offered by the institutions must meet the requirements of section 401(a) or 403(b) of the Internal Revenue Code of 1986, as amended. In making their selections, the boards shall consider these criteria:

- (1) the experience and ability of the financial institution to provide retirement and death benefits suited to the needs of the covered employees;
- (2) the relationship of the benefits to their cost; and
- (3) the financial strength and stability of the institution.

Sec. 9. Minnesota Statutes 1988, section 354B.05, subdivision 4, is amended to read:

Subd. 4. [BENEFITS OWNED BY MEMBERS.] The retirement and death benefits provided by the annuity contracts or custodial

accounts are owned by the members of the plan trust and must be paid in accordance with the provisions of the annuity contracts or custodial accounts plan document.

Sec. 10. [355.61] [SOCIAL SECURITY COVERAGE FOR CERTAIN STATE UNIVERSITY OR COMMUNITY COLLEGE FACULTY.]

Plan participants under section 354B.02, subdivision 1, and persons electing participation under section 354B.02, subdivision 2 or 3, remain members of the teachers retirement association for purposes of social security coverage only, and remain covered by the applicable agreement entered into under section 355.02, but are not members of the teachers retirement association for any other purpose while employed in covered employment.

Sec. 11. [EFFECTIVE DATE OF COVERAGE.]

Notwithstanding Laws 1988, chapter 709, article 11, sections 1, 3, and 7, persons first employed in covered employment between June 30, 1988, and July 1, 1989, are members of the teachers retirement association for all purposes but are eligible to elect to participate in the plan under section 6.

Sec. 12. [REPEALER.]

Section 6 is repealed October 1, 1992.

Sec. 13. [EFFECTIVE DATE.]

Sections 1 to 12 are effective July 1, 1989."

Delete the title and insert:

"A bill for an act relating to retirement; making a variety of changes in the laws governing benefits, contributions, and administrators of various statewide and local public pension plans; amending Minnesota Statutes 1988, sections 3A.01, subdivision 7, and by adding a subdivision; 3A.02, subdivisions 1, 1b, and 4; 11A.01; 11A.04; 11A.07, subdivision 4; 11A.09; 11A.13, subdivision 1; 11A.18, subdivisions 9 and 10; 11A.19, by adding a subdivision; 43A.316, subdivision 9; 43A.44, subdivision 2; 69.031, subdivision 5; 69.77, subdivision 2g; 69.775; 136.80, subdivision 1; 136.81, subdivision 1; 136.82, subdivision 1 and 2; 136.84; 352.01, subdivisions 11, 19, and by adding a subdivision; 352.021, subdivision 5; 352.03, subdivisions 7 and 11; 352.04, subdivisions 2 and 3; 352.113, subdivisions 1 and 12; 352.115, subdivisions 1, 2, and 3; 352.116; 352.12, subdivisions 1, 2, and 6; 352.22, subdivisions 1, 2, 2a, and 3; 352.72, subdivisions 1, 2, and 5; 352.85, subdivision 1; 352.92, by adding a subdivision; 352.93, subdivisions 1, 2, 3, and by adding a subdivision; 352.95, subdivisions 1, 2, and 5; 352.96, subdivision 3;

352B.01, subdivision 11; 352B.03, subdivision 1; 352B.08, subdivision 1, 2, 3, and by adding a subdivision; 352B.10, subdivisions 1, 2, and 5; 352B.11, subdivisions 1 and 2; 352B.30, subdivision 1; 352C.091, subdivision 1; 352D.04, subdivision 1; 352D.06, subdivision 1; 352D.075, subdivision 2; 352D.09, subdivision 1; 353.01, subdivisions 2a, 2b, 10, and by adding subdivisions; 353.03, subdivision 1; 353.27, subdivisions 2 and 12; 353.28, subdivisions 5 and 6; 353.29, subdivisions 1, 2, 3, 4, and 7; 353.30; 353.32, subdivisions 1 and 1a; 353.33, subdivisions 1, 2, 3, 5, 6, 7, and 11; 353.34, subdivisions 1, 2, 3, and 3a; 353.35; 353.64, subdivisions 1, 2, 3, and by adding a subdivision; 353.65, subdivisions 1, 6, and by adding a subdivision; 353.651, subdivisions 1, 2, 3, and by adding a subdivision; 353.656, subdivisions 1, 3, and 4; 353.657, subdivisions 2, 2a, and 3; 353.71, subdivisions 1, 2, and 5; 353C.06, subdivisions 1, 2, and 4; 353C.08, subdivision 5; 354.05, subdivisions 2a, 5, 35, 37, and by adding a subdivision; 354.06, subdivision 1; 354.07, subdivision 3; 354.091; 354.092; 354.10, subdivision 2; 354.35; 354.41, subdivision 3; 354.42, subdivisions 2, 3, and 7; 354.44, subdivisions 1, 1a, 3, 5, 6, 7, 8, and by adding a subdivision; 354.45, subdivision 1, and by adding a subdivision; 354.46, subdivision 2; 354.47, subdivisions 1 and 2; 354.48, subdivisions 1, 2, 3, and 10; 354.49, subdivisions 2 and 3; 354.50, by adding a subdivision; 354.55, subdivision 11; 354.60; 354.62, subdivision 2, and by adding a subdivision; 354.65; 354.66, subdivision 2; 354A.011, subdivision 20, and by adding a subdivision; 354A.021, subdivision 6; 354A.12, subdivisions 1 and 2; 354A.21; 354A.31, subdivisions 1, 3, 4, 5, 6, and by adding a subdivision; 354A.32, subdivision 1, and by adding a subdivision; 354A.35, subdivisions 1 and 2; 354A.36, subdivisions 1, 3, and 10; 354A.37, subdivisions 2, 3, and 4; 354A.39; 354B.02; 354B.04, subdivision 2; 354B.05, subdivisions 3 and 4; 355.90, subdivisions 3 and 4; 356.215, subdivisions 4d and 4g; 356.24; 356.30, subdivisions 1, 2, and 3; 356.302, subdivision 7; 356.303, subdivision 4; 356.32, subdivision 1; 356.371, subdivision 3; 356.80, subdivisions 1 and 3; 422A.05, subdivisions 2a and 2d; 423.374; 423.45; 423.805; 423A.01, subdivision 2; 423A.21, subdivision 4; 424.06; 424A.001, subdivision 7; 424A.01, subdivision 2; 424A.02, subdivisions 1, 2, 7, and 13; 424A.04, subdivision 2; 424A.10; 490.122; 490.124, subdivision 12; proposing coding for new law in Minnesota Statutes, chapters 3A; 352; 353; 354; 354A; 354B; 355; 356; 356A; and 490; repealing Minnesota Statutes 1988, sections 136.88, subdivision 3; 352.03, subdivision 13; 352.73, subdivision 3; 353.01, subdivision 2c; 353.661; 353.662; 354.41, subdivision 3; 354.531; 354.532; 354.55, subdivision 5; 354.56; 354A.32, subdivision 2; and 424A.01, subdivision 3a; amending Laws 1955, chapter 151, section 13, as amended; Laws 1965, chapter 446, sections 2 and 3; Laws 1980, chapter 595, section 2, subdivision 4; Laws 1982, chapter 574, section 5, as amended; Laws 1985, chapter 11, section 12, subdivision 3; and Laws 1988, chapter 709, article 3, section 1, subdivision 4; repealing Laws 1967, chapter 815; Laws 1978, chapter 683; and Laws 1981, chapter 224, sections 2 and 5."

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.

Anderson, G., from the Committee on Appropriations to which was referred:

S. F. No. 1020, A bill for an act relating to education; authorizing and establishing procedures for the sale of all or part of the Minnesota Educational Computing Corporation; amending Minnesota Statutes 1988, sections 119.04, subdivision 2, and by adding subdivisions; 119.06, subdivision 3; and 119.09.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1988, section 119.04, subdivision 2, is amended to read:

Subd. 2. [POWERS.] The board of directors has the authority to engage in all activities which carry out the public purpose expressed in section 119.01 and which are consistent with sections 119.01 to 119.09. This authority includes but is not limited to acquiring, leasing, and disposing of real and personal property, establishing banking relationships, borrowing funds, establishing policies relating to personnel and compensation of personnel, and purchasing insurance. The board of directors may form wholly-owned subsidiaries. A subsidiary shall be under the management control of the MECC board of directors. The board of directors shall employ and set the compensation for the chief officer of MECC at not to exceed 95 percent of the salary of the governor as provided by section 15A.081, subdivision 6. The chief officer shall direct and carry on the work of MECC and assignments of the board. The board may establish bylaws and elect an executive committee.

~~The board of directors does not have the power to sell or offer for sale all or substantially all of the assets or any of the ownership of MECC.~~

Sec. 2. Minnesota Statutes 1988, section 119.04, is amended by adding a subdivision to read:

Subd. 3. [SALE OF CORPORATION.] The board of directors may sell all, substantially all, or part of the assets or any of the ownership of the corporation. When any part is sold, the board shall transfer the assets or ownership that is sold to the purchaser. Upon the sale of all or substantially all of the assets or ownership of the

corporation, the board of directors shall dispose of any remaining assets and dissolve the corporation.

Sec. 3. Minnesota Statutes 1988, section 119.04, is amended by adding a subdivision to read:

Subd. 4. [DISTRIBUTION OF PROCEEDS.] If all or substantially all of the assets of the corporation are sold, the proceeds of the sale must be applied in the following order:

(1) any liabilities and obligations of the corporation must be paid, satisfied, or discharged or adequate provision must be made to do so;

(2) the corporation must be reimbursed for all expenses incurred in connection with the offer for sale and the sale of the corporation; and

(3) any remaining proceeds must be deposited in the general fund.

Sec. 4. Minnesota Statutes 1988, section 119.06, subdivision 3, is amended to read:

Subd. 3. [EMPLOYEE RETIREMENT AND INSURANCE.] As long as the state owns at least a majority of the assets or ownership of MECC, the department of employee relations shall accept MECC employees in retirement plans and group life, health, and dental insurance plans provided MECC and its employees apply and fully pay the premiums and contributions of these plans. For a period of 90 days after the effective date of this section, employees of the consortium who are members of the Minnesota state retirement system or the teachers retirement association shall be entitled to transfer their accumulated employer and employee contributions, not including interest, from those funds to the state unclassified employees retirement program under chapter 352D. For purposes of coverage under section 352D.02, subdivision 1, MECC employees transferring under this section shall be considered to be unclassified employees of the state.

Sec. 5. Minnesota Statutes 1988, section 119.09, is amended to read:

119.09 [DISSOLUTION.]

In the event of the dissolution of MECC for any reason except a sale of all or substantially all of the assets or ownership of the corporation under section 119.04, the state of Minnesota, upon action by the governor, after consultation with the legislative advisory commission, shall have the option to require return of all the assets of MECC to the state in exchange for the assumption of all outstanding obligations of MECC.

Sec. 6. [PROCEDURES AND CONDITIONS OF AN OFFER.]

Subdivision 1. [OFFER REQUIRED.] The board of directors of the Minnesota educational computing corporation, in consultation with the commissioner of finance, shall solicit offers to purchase all or part of the assets or ownership of the corporation according to this section.

Subd. 2. [CONDITIONS OF SALE.] Sale of all or any part of the assets of or ownership of the corporation shall be conditioned upon both of the following:

(a) The buyer and all subsequent buyers must continue to provide those computing and technology-related products developed by the Minnesota educational computing corporation to Minnesota educational institutions at one-half of the lowest price the products are sold to any non-Minnesota educational institution. Minnesota educational institutions shall maintain the right to unlimited copies of products they purchase.

(b) All products existing or substantially developed at the time of the sale shall be copyrighted in the name of the state of Minnesota. The buyer may sell and market copyrighted products.

Subd. 3. [EVALUATION METHODS.] Before requesting proposals, the board and the commissioner of finance shall jointly establish:

(1) factors to be used in the review and evaluation of proposals from responsible bidders;

(2) a method for determining whether or to what degree each factor has been or would be likely to be met;

(3) the relative importance of each factor;

(4) that both of the conditions in subdivision 2 are satisfied; and

(5) other procedures to be used to review and evaluate proposals.

Subd. 4. [PROPOSAL OPTIONS.] The board shall request proposals, according to the procedures and deadlines it determines, for any or a combination of the following:

(1) sale of all or substantially all of the assets or ownership of the corporation to a private or public corporation, partnership, or proprietorship;

(2) sale of less than one-half of the assets or ownership of the

corporation to a private or public corporation, partnership, or proprietorship;

(3) sale of all, substantially all, or any part of the assets or ownership of the corporation to the employees of the corporation; and

(4) a public offering of the sale of all, substantially all, or any part of the assets or ownership of the corporation.

Subd. 5. [PROHIBITION ON PARTICIPATION IN PROPOSALS.] Except for a proposal under subdivision 4, clause (3), no member of the board and no employee in a management position may participate in a proposal submitted to the board according to subdivision 4 unless the member resigns from the board or the employee terminates employment. The same restrictions shall apply to a member of the immediate family of the board member or employee.

Subd. 6. [EVALUATION FACTORS.] Factors upon which all proposals received from responsible bidders by the deadline shall be evaluated include, but are not limited to, the following:

(1) the price offered by the bidder for any or all of the assets or ownership of the corporation;

(2) the extent to which the bidder will assume any liabilities and obligations of the corporation;

(3) the ability of the bidder to provide the capital needed to continue providing cost-effective computer technology-related products and services to educational institutions in the state and elsewhere;

(4) the ability of the bidder to provide, each year for five years after the date of purchase, capital for research and development in an amount comparable to similar corporations;

(5) the ability of the bidder to maintain and expand employment in the state using assets or ownership purchased from the corporation;

(6) whether and to what extent the bidder operates, conducts, and significantly contributes to business in the state; and

(7) whether the conditions of sale would be met.

Subd. 7. [PROCEDURES AND RECOMMENDATIONS.] The board shall review and evaluate all proposals and adopt recommendations. The board may recommend rejection of all proposals. By September 1, 1989, the board shall submit its recommendations and

copies of proposals to the commissioner of finance. The commissioner of finance shall contract with an independent evaluator to provide an independent market valuation of the corporation. By October 1, 1989, the commissioner of finance shall review the recommendations of the board and the independent evaluation. By November 1, 1989, the commissioner of finance shall submit the recommendations of the board of directors, the independent evaluation, and the recommendations of the commissioner of finance to the legislative auditor. The legislative auditor shall review the recommendations of the board of directors and the commissioner of finance and the independent evaluation and make its recommendations.

Subd. 8. [REPORT TO THE LEGISLATURE.] By January 15, 1990, the recommendations of the board of directors, the commissioner of finance, and the legislative auditor, and the independent evaluation shall be submitted to the education committees of the legislature."

With the recommendation that when so amended the bill pass.

The report was adopted.

SECOND READING OF HOUSE BILLS

H. F. Nos. 257, 357, 607, 624, 988, 1143 and 1222 were read for the second time.

SECOND READING OF SENATE BILLS

S. F. Nos. 811, 1123, 1502, 1358 and 1020 were read for the second time.

HOUSE ADVISORIES

The following House Advisory was introduced:

Trimble and McEachern introduced:

H. A. No. 12, A proposal to study ways to augment and improve use of the permanent school fund.

The advisory was referred to the Committee on Education.

MESSAGES FROM THE SENATE

The following messages were received from the Senate:

Mr. Speaker:

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

H. F. No. 266, A bill for an act relating to taxation; making technical corrections and clarifications and administrative changes to premium taxes, cigarette taxes, sales taxes, motor vehicle excise taxes, gasoline and special fuel taxes, liquor taxes, marijuana and controlled substances taxes, lodging taxes, and the metropolitan solid waste landfill fee; providing for unmarked vehicles for use by the department of revenue; providing for sales of unstamped tobacco products and liquor to Indian tribes; providing for cancellation of sales tax permits; repealing obsolete or unnecessary terms or provisions; repealing express company, freight line company, and sleeping car company gross earnings taxes; requiring notification of the commissioner prior to selling cigarettes at prices other than those presumed by law; amending Minnesota Statutes 1988, sections 16B.54, subdivision 2; 41A.09, subdivision 3; 69.011, subdivision 2; 69.54; 168.012, subdivision 1; 270.06; 270.60; 296.18, subdivision 1; 297.041, subdivisions 1, 2, and 4; 297A.06; 297A.17; 297A.20; 297A.21, subdivision 4; 297A.25, subdivisions 11 and 16; 297B.01, subdivision 5; 297B.02, subdivision 1; 297B.03; 297D.13, by adding a subdivision; 325D.32, subdivision 10; 325D.37, by adding a subdivision; 469.190, subdivision 1; 473.843, subdivision 1; proposing coding for new law in Minnesota Statutes, chapters 297, 297A, 297C, and 297D; repealing Minnesota Statutes 1988, sections 295.01, subdivisions 4, 5, 6, 7, and 8; 295.15; 295.21; 295.23; 295.24; 295.25; 295.27; 295.29; 295.30; 295.31; 297A.19; 297A.253; 477A.018; and 477A.019.

The Senate has appointed as such committee:

Messrs. Stumpf, Bernhagen and Diessner.

Said House File is herewith returned to the House.

PATRICK E. FLAHAVEN, Secretary of the Senate

Mr. Speaker:

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

H. F. No. 372, A bill for an act relating to the organization and operation of state government; appropriating money for the general legislative, judicial, and administrative expenses of state government; providing for the transfer of certain money in the state treasury; fixing and limiting the amount of fees, penalties, and other costs to be collected in certain cases; creating, abolishing, modifying, and transferring agencies and functions; defining and amending terms; providing for settlement of claims; imposing certain duties, responsibilities, authority, and limitations on agencies and political subdivisions; consolidating certain funds and accounts and making conforming changes; changing the organization, operation, financing, and management of certain courts and related offices; amending Minnesota Statutes 1988, sections 3.099, subdivision 3; 3.732, subdivision 1; 6.48; 6.56; 6.58; 8.15; 8.31, subdivisions 2c and 3; 13.33; 14.07, subdivisions 1 and 2; 14.08; 14.26; 15.06, subdivision 1; 15.50, subdivision 2; 15A.081, subdivision 1; 16A.10, subdivision 1; 16A.123, by adding a subdivision; 16A.125, subdivision 5, and by adding a subdivision; 16A.133, subdivision 1; 16B.24, subdivision 6; 16B.42, subdivision 4; 16B.48, subdivision 2; 16B.61, subdivision 5; 16B.70; 41A.09, subdivision 1; 43A.02, subdivision 25; 43A.17, subdivision 1; 43A.24, subdivision 2; 44A.0311; 69.031, subdivision 5; 69.77, subdivision 2b; 84.0272; 82.0274, by adding a subdivision; 84.084; 84.83, subdivision 1; 84.922, subdivision 3; 84.927, subdivision 1; 84A.51, subdivision 2; 84A.55, subdivision 14; 85.055, subdivision 2; 85.22, subdivisions 1 and 2a; 85.43; 85A.01, subdivisions 1 and 5; 85A.02, subdivisions 2, 5, 5a, 5b, 12, 16, 17, 18; 85A.04, subdivisions 1 and 4; 89.035; 89.036; 89.21; 93.335, subdivision 4; 94.09, subdivision 2; 94.342, subdivision 3; 97A.055, by adding a subdivision; 97A.165; 97A.475, subdivisions 2, 3, 6, 7, 8, 11, 12, 13, 14, 15, 16, 17, 18, 19, 20, 21, 23, 24, 25, 26, 27, 28, 29, 29a, 30, 31, 32, 33, 34, 35, 36, 37, 38, 39, 40, 41, and 42; 97A.485, subdivisions 6 and 7; 97B.301, by adding a subdivision; 106A.661, subdivision 2; 112.73; 115.03, subdivision 1; 115A.14, subdivision 4; 115A.908, subdivision 2; 115B.17, subdivision 7; 115B.20, subdivisions 1, 4, and 6; 115B.22, subdivision 7; 115B.24, subdivision 10; 115B.25, subdivision 7; 115B.26; 115C.02, subdivision 6; 115C.08, subdivision 1; 116.41, subdivision 2; 116.65, subdivision 3; 116J.01; 116J.03, subdivision 2; 116J.58, subdivision 1; 116J.64, subdivision 6; 116J.68, subdivision 2; 116J.74, subdivision 5; 116J.873, subdivision 4; 116J.955, subdivisions 1 and 2; 116J.9673, subdivision 4; 116J.970; 116J.971, subdivisions 3, 6, 7, 8, and 9; 116J.982, subdivision 1; 116L.02; 116L.03, subdivisions 2 and 7; 116L.04, subdivision 1; 116N.01, subdivision 3; 116N.02, subdivision 6; 116N.08, subdivisions 4 and 8; 116O.02, and by adding a subdivision; 116O.03, subdivisions 1, 2, 3, and by adding subdivisions; 116O.04, by adding a subdivision; 116O.05; 116O.06, subdivisions 1 and 5; 116O.08, subdivisions 2 and 7; 116O.12; 116O.13; 116O.14; 116O.15; 116P.08, subdivisions 1 and 2; 116P.13; 148B.17; 169.121, subdivision 5a; 169.126, subdivisions 4 and 4a; 169.686, subdivision 3; 176.135, subdivision 1; 190.07; 190.25, subdivision 3; 192.51, subdivision 2; 214.06, subdivision 1; 256.482, subdivisions 3, 7, and by adding a subdivision; 260.193, subdivision 8; 270.069; 270.185,

subdivision 1; 273.02, subdivisions 5 and 6; 275.51, subdivision 3f; 284.28, subdivisions 8, 9, and 10; 296.421, subdivision 8; 297.13, subdivision 1; 297.26; 297.32, subdivision 9; 297A.44, subdivision 1; 299D.03, subdivision 7; 302A.821, subdivisions 4 and 5; 307.08, subdivision 5; 336.9-302; 336.9-413; 349.213, subdivision 1; 352.01, subdivision 2b; 353.01, subdivision 2a; 356.215, subdivisions 1 and 4d; 357.021, subdivisions 1a, 2a, and 4; 357.08; 361.03, by adding a subdivision; 373.27, subdivision 3; 402.065; 403.11, subdivision 1; 423A.01, subdivision 2; 423A.02, subdivisions 1 and 2; 462.396, subdivision 4; 462A.21, by adding a subdivision; 466.01, subdivision 6; 469.056, subdivision 4; 469.100, subdivision 6; 471.699; 473.13, subdivision 4; 473.375, subdivision 17; 473.435, subdivision 2; 473.543, subdivision 5; 473.843, subdivision 2; 473.844, subdivision 1; 473.845, subdivision 1; 473.877, subdivision 1; 480.01; 480.058; 480.09, subdivision 5; 480.241, subdivisions 1 and 2; 480.242; 481.01; 481.20; 484.54, subdivision 2; 484.545, subdivisions 2 and 3; 484.62; 484.64, subdivision 3; 484.65, subdivisions 3 and 7; 484.68, subdivision 5; 485.018, subdivisions 5 and 7; 486.05, subdivision 1; 486.055; 486.06; 487.08, subdivision 5; 487.31, subdivision 1; 488.14, subdivision 1; 488A.17, subdivision 2; 488A.31, subdivision 1; 488A.34, subdivision 2; 517.08, subdivision 1c; 525.033; 609.101; 609.5315, subdivision 5; 611.17; 611.21; 611.215, subdivision 2; 611.26, subdivision 2; 611A.61, subdivision 3; 626.861, subdivisions 3 and 4; Laws 1971, chapter 355, section 1, subdivision 2; Laws 1987, chapter 386, article 2, section 22; article 9, section 19; Laws 1988, chapter 686, article 1, section 37; article 2, section 10; proposing coding for new law in Minnesota Statutes, chapters 16A; 16B; 84; 93; 115A; 116J; 116K; 192; 290; 462A; 469; 473; 480; 611; and 631; proposing coding for new law as Minnesota Statutes, chapter 361A; repealing Minnesota Statutes 1988, sections 3C.035; 3C.056; 11A.22; 16A.133, subdivision 3; 41A.01; 41A.02; 41A.021; 41A.022; 41A.023; 41A.03; 41A.035; 41A.036; 41A.04; 41A.05; 41A.051; 41A.06; 41A.065; 41A.066; 41A.07; 41A.08; 43A.316; 84.0911, subdivisions 1 and 3; 85.051; 85A.01, subdivision 1b; 89.04; 93.221; 94.165; 97A.065, subdivision 3; 97A.071; 97A.075; 115A.162; 116E.01; 116E.02; 116E.03; 116E.035; 116E.04; 116J.941; 116J.942; 116J.968; 161.52; 190.26; 198.001, subdivision 5; 344.03; 383B.63, subdivisions 4 and 5; 469.121, subdivision 1; 469.148; 469.149; 480.242, subdivision 4; 480.245; 486.07; 487.31, subdivision 4; 488A.05; 488A.111; 488A.22; 488A.281; 525.012, subdivisions 1, 2, 3, and 4; 611.07; 611.071; 611.12; 611.214; and 611.25, subdivision 2; Laws 1975, chapter 258, section 6, subdivisions 1, 3, 4, and 5; Laws 1983, chapter 334, section 7, as amended; Laws 1984, chapter 564, section 48; and Laws 1988, chapter 686, article 1, sections 14, paragraph (j); 21; 37, subdivision 10; and article 2, section 9.

The Senate has appointed as such committee:

Messrs. Kroening; Luther; Solon; Frederickson, D. R., and Merriam.

Said House File is herewith returned to the House.

PATRICK E. FLAHAVEN, Secretary of the Senate

Mr. Speaker:

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

H. F. No. 956, A bill for an act relating to insurance; clarifying the calculation of underinsured motorist benefits; amending Minnesota Statutes 1988, section 65B.49, subdivisions 3a and 4a.

The Senate has appointed as such committee:

Ms. Peterson, D. C.; Messrs. Luther; Solon; Knaak and Ms. Olson.

Said House File is herewith returned to the House.

PATRICK E. FLAHAVEN, Secretary of the Senate

Mr. Speaker:

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

H. F. No. 1759, A bill for an act relating to the organization and operation of state government; appropriating money for human services, jobs and training, corrections, health, veterans nursing homes, and other purposes with certain conditions; amending Minnesota Statutes 1988, sections 13.46, subdivision 2; 43A.27, subdivision 2; 62A.045; 62A.046; 62D.041, subdivision 1, and by adding a subdivision; 62D.042, subdivision 1; 62D.05, subdivision 6; 144.50, subdivision 6, and by adding a subdivision; 144.562, subdivisions 2 and 3; 144.651, subdivision 2; 144.698, subdivision 1; 144.701; 144.702, subdivision 2, and by adding subdivisions; 144A.01, subdivision 5, and by adding subdivisions; 144A.04, subdivision 7, and by adding subdivisions; 144A.071, subdivision 3; 144A.073, subdivision 1; 144A.10, subdivisions 5, 6a, and by adding subdivisions; 144A.11, subdivision 3, and by adding a subdivision; 144A.12, subdivision 1; 144A.15, subdivision 1, and by adding subdivisions; 144A.45, subdivision 2; 144A.46; 144A.61; 144A.611; 145.38, subdivision 1; 145.39, subdivision 1; 145.61, subdivision 5; 145.63; 145.882, subdivisions 1 and 7; 146.13; 147.02, subdivision 1; 148B.23, subdivision 1; 148B.27, subdivision 2; 148B.32, subdivision 2; 148B.40, subdivision 3; 148B.42, by adding a subdivision; 149.02; 149.06; 150A.06, subdivision 2a; 153A.13, subdivision 4; 153A.15, subdivision 3; 153A.16; 176.136, subdivisions 1 and 5; 214.04,

subdivision 3; 214.06, subdivision 1; 237.70, subdivision 7; 237.701, subdivision 1; 245.461; 245.462; 245.463, subdivision 2, and by adding subdivisions; 245.464; 245.465; 245.466, subdivisions 1, 2, 5, and 6; 245.467, subdivisions 3, 4, and 5; 245.468; 245.469; 245.470, subdivision 1; 245.472, subdivision 1, and by adding a subdivision; 245.473, subdivision 1; 245.474; 245.476, subdivisions 1, 3, and by adding subdivisions; 245.477; 245.478, subdivisions 2 and 3; 245.479; 245.48; 245.482; 245.483; 245.484; 245.485; 245.486; 245.62, subdivision 3; 245.696, subdivision 2; 245.697, subdivisions 1, 2, and 2a; 245.713; subdivision 2; 245.73, subdivisions 1, 2, and 4; 245.771, subdivision 3; 245.91, by adding a subdivision; 245.94, subdivision 1, and by adding a subdivision; 245A.02, subdivisions 3, 9, 10, 14, and by adding a subdivision; 245A.03, subdivisions 1, 2, and 3; 245A.04, subdivisions 1, 3, 5, 6, 7, and by adding subdivisions; 245A.06, subdivisions 1, 5, and by adding a subdivision; 245A.07, subdivision 2; 245A.08, subdivision 5; 245A.095; 245A.12; 245A.13; 245A.14, subdivision 3, and by adding subdivisions; 245A.16, subdivision 1; 246.015; 246.18, subdivision 4; 246.36; 246.50, subdivisions 3, 4, and 5; 246.54; 246.57, subdivision 1; 251.011, subdivision 4, and by adding a subdivision; 252.27, subdivision 1; 252.291, subdivision 2; 252.31; 252.41, subdivision 9; 252.46, subdivisions 1, 2, 3, 4, 6, and 12; 252.47; 252.50; 253.015; 254A.08, subdivision 2; 254B.02, subdivision 1; 254B.03, subdivisions 1 and 4; 254B.04, subdivision 2; 254B.06, subdivision 1; 254B.09, subdivisions 1, 4, and 5; 256.01, subdivision 2, and by adding a subdivision; 256.014, subdivision 1; 256.045, subdivisions 1, 3, 4, 4a, 5, 6, 7, 10, and by adding a subdivision; 256.12, subdivision 14; 256.73, subdivision 3a; 256.736, subdivisions 3, 3b, 4, 10, 11, 14, 16, and by adding subdivisions; 256.737; 256.74, subdivisions 1, 1a, and by adding a subdivision; 256.85; 256.87, subdivision 1a; 256.936, subdivisions 1, 2, and 4; 256.969; 256.974; 256.9741, subdivisions 3, 5, and by adding a subdivision; 256.9742; 256.9744, subdivision 1; 256.975, subdivision 2; 256B.031, subdivision 5; 256B.04, subdivision 14, and by adding a subdivision; 256B.055, subdivisions 7 and 8; 256B.056, subdivisions 3, 4, and 5; 256B.062; 256B.0625, subdivisions 2, 13, 17, and by adding subdivisions; 256B.091, subdivision 3; 256B.092, subdivision 7; 256B.14; 256B.25, by adding a subdivision; 256B.421, subdivision 14; 256B.431, subdivisions 2b, 2e, 2i, 3a, 3f, 3g, 4, and by adding subdivisions; 256B.47, subdivision 3; 256B.48, subdivisions 1, 6, and 8; 256B.501, subdivisions 3, 3g, and by adding subdivisions; 256B.69, subdivisions 4, 5, 11, and by adding a subdivision; 256C.28, subdivision 3, and by adding subdivisions; 256D.01, subdivisions 1, 1a, 1b, and 1c; 256D.02, subdivisions 1 and 4; 256D.03, subdivisions 2, 3, and 4; 256D.05, subdivision 1, and by adding a subdivision; 256D.051, subdivisions 1, 2, 3, 6, 8, 13, and by adding subdivisions; 256D.052, subdivisions 1, 2, 3, and 4; 256D.06, by adding a subdivision; 256D.101; 256D.111, subdivision 5; 256D.35, subdivisions 1, 7, and by adding subdivisions; 256D.36, subdivision 1, and by adding a subdivision; 256D.37, subdivision 1; 256E.03, subdivision 2; 256E.05, subdivision 3; 256E.08, subdivision 5; 256E.09, subdivisions 1 and 3; 256F.05, subdivisions 2, 3, and 4; 256F.07, subdivision 3a; 256H.01, subdivisions 1, 2, 7, 8, 11, and 12; 256H.02; 256H.03;

256H.05; 256H.08; 256H.09; 256H.10, subdivisions 2, 3, and by adding a subdivision; 256H.11; 256H.12; 256H.15; 256H.18; 256H.20, subdivision 3; 257.071, subdivision 7; 257.55, subdivision 1; 257.57, subdivision 1; 257.62, subdivision 5; 259.47, subdivision 5; 259.49, subdivision 2; 260.251, subdivision 1; 268.0111, subdivision 4, and by adding a subdivision; 268.0122, subdivisions 2 and 3; 268.08, subdivision 1; 268.31; 268.37, by adding a subdivision; 268.86, subdivision 2; 268.871, subdivision 5; 268.88; 287.12; 297.13, subdivision 1; 326.78, subdivision 2; 327.20, subdivision 1; 327C.02, subdivision 2; 357.021, subdivisions 2 and 2a; 517.08, subdivisions 1b and 1c; 518.54, subdivision 6; 518.551, subdivision 10, and by adding a subdivision; 518.611, subdivision 4; 518.613, subdivisions 1, 2, 4, and by adding a subdivision; 609.378; 626.556, subdivisions 2 and 10e; and 626.558; Laws 1984, chapter 654, article 5, section 57, subdivision 1, as amended; Laws 1987, chapter 403, article 3, section 98; Laws 1988, chapter 689, article 2, sections 248 and 269, subdivision 2; repealing Minnesota Statutes 1988, sections 144A.10, subdivision 4a; 150A.06, subdivision 7; 245.462, subdivision 25; 245.471; 245.475; 245.64; 245.698; 245.775; 245.83; 245.84; 245.85; 245.871; 245.872; 245.873; 245A.095, subdivision 3; 246.50, subdivisions 3a, 4a, and 9; 254B.09, subdivision 3; 254B.10; 256.87, subdivision 4; 256.969, subdivisions 2a, 3, 4, 5, and 6; 256B.0625, subdivision 21; 256B.17, subdivisions 1, 2, 3, 4, 5, 6, 7, and 8; 256B.69, subdivisions 12, 13, 14, and 15; 256D.01, subdivision 1c; 256D.051, subdivision 6a; 256D.052, subdivisions 5, 6, and 7; 256D.06, subdivisions 3, 4, and 6; 256D.35, subdivisions 2, 3, 4, and 8; 256D.36, subdivision 2; 256D.37, subdivisions 2, 4, 6, 7, 8, 9, 10, 11, 12, 13, and 14; 256D.38; 256D.39; 256D.41; 256D.42; 256D.43; 256E.08, subdivision 9; 256F.05, subdivision 1; 256H.04; 256H.05, subdivision 4; 256H.06; 256H.07, subdivision 4; 256H.13; 268.86, subdivision 7; 518.613, subdivision 5; Laws 1987, chapter 403, article 5, section 1; proposing coding for new law in Minnesota Statutes, chapters 144; 144A; 145; 157; 196; 245; 246; 251; 252; 253; 254A; 256; 256B; 256D; 256E; 256F; 256H; 259; 268; and 626; proposing coding for new law as Minnesota Statutes, chapter 256I.

The Senate has appointed as such committee:

Messrs. Samuelson and Knutson; Mrs. Lantry; Mses. Piper and Berglin.

Said House File is herewith returned to the House.

PATRICK E. FLAHAVERN, 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. 1267, A bill for an act relating to Anoka county; permitting the appointment of the auditor, recorder, and treasurer; authorizing the reorganization of county offices.

PATRICK E. FLAHAVEN, Secretary of the Senate

Quinn moved that the House refuse to concur in the Senate amendments to H. F. No. 1267, that the Speaker appoint a Conference Committee of 3 members of the House, and that the House requests that a like committee be appointed by the Senate to confer on the disagreeing votes of the two houses. The motion prevailed.

Mr. Speaker:

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

H. F. No. 1506, A bill for an act relating to commerce; regulating certain rentals of real property, membership camping practices, and subdivided land sales; amending Minnesota Statutes 1988, sections 82A.02, by adding a subdivision; 82A.04, subdivision 2; 82A.13, subdivision 2; 83.20, by adding a subdivision; and 83.30, subdivision 1.

PATRICK E. FLAHAVEN, Secretary of the Senate

Sparby moved that the House refuse to concur in the Senate amendments to H. F. No. 1506, that the Speaker appoint a Conference Committee of 3 members of the House, and that the House requests that a like committee be appointed by the Senate to confer on the disagreeing votes of the two houses. The motion prevailed.

Mr. Speaker:

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

H. F. No. 831, A bill for an act relating to game and fish; Mom Fishing Weekend; season opening date for certain game fish; amending Minnesota Statutes 1988, sections 97A.445, by adding a subdivision; and 97C.395, subdivision 1.

PATRICK E. FLAHAVEN, Secretary of the Senate

Kinkel moved that the House refuse to concur in the Senate amendments to H. F. No. 831, that the Speaker appoint a Conference

Committee of 3 members of the House, and that the House requests that a like committee be appointed by the Senate to confer on the disagreeing votes of the two houses. The motion prevailed.

Mr. Speaker:

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

H. F. No. 729, A bill for an act relating to marriage dissolution; requiring courts to consider the existence of domestic abuse in determining whether to award joint custody; providing for the appointment of visitation expeditors to resolve ongoing visitation disputes; providing for visitation by persons who have resided with a child; providing that either parent may request visitation rights on behalf of the child; requiring the court to restrict or modify visitation under certain circumstances; permitting agreements about modification of maintenance; amending Minnesota Statutes 1988, sections 257.022, by adding a subdivision; 518.17, subdivision 2; 518.175, subdivisions 1 and 5; 518.552, by adding a subdivision; and 518.58, subdivision 1; proposing coding for new law in Minnesota Statutes, chapter 518.

PATRICK E. FLAHAVEN, Secretary of the Senate

Pappas moved that the House refuse to concur in the Senate amendments to H. F. No. 729, 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 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. 1435, A bill for an act relating to liquor; authorizing issuance of a certain on-sale license in Todd county.

PATRICK E. FLAHAVEN, Secretary of the Senate

Krueger moved that the House refuse to concur in the Senate amendments to H. F. No. 1435, that the Speaker appoint a Conference Committee of 3 members of the House, and that the House requests that a like committee be appointed by the Senate to confer on the disagreeing votes of the two houses. The motion prevailed.

Mr. Speaker:

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

H. F. No. 700, A bill for an act relating to crimes; increasing penalties for certain crimes when committed because of the victim's or another's actual or perceived race, color, religion, sex, sexual orientation, disability, age, political affiliation, membership or lack of membership in a labor union, or national origin; increasing penalties for using the mail or making telephone calls and falsely impersonating another for the purpose of harassing, abusing, or threatening another person; amending Minnesota Statutes 1988, sections 609.2231, by adding a subdivision; 609.595, subdivisions 2, 3, and by adding a subdivision; 609.605, by adding a subdivision; 609.746, by adding a subdivision; 609.79, by adding a subdivision; and 609.795.

PATRICK E. FLAHAVEN, Secretary of the Senate

Greenfield moved that the House refuse to concur in the Senate amendments to H. F. No. 700, that the Speaker appoint a Conference Committee of 3 members of the House, and that the House requests that a like committee be appointed by the Senate to confer on the disagreeing votes of the two houses. The motion prevailed.

Mr. Speaker:

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

H. F. No. 1530, A bill for an act relating to commerce; regulating business relations between manufacturers of heavy and utility equipment and independent retail dealers of those products; proposing coding for new law in Minnesota Statutes, chapter 325E.

PATRICK E. FLAHAVEN, Secretary of the Senate

Lieder moved that the House refuse to concur in the Senate amendments to H. F. No. 1530, that the Speaker appoint a Conference Committee of 3 members of the House, and that the House requests that a like committee be appointed by the Senate to confer on the disagreeing votes of the two houses. The motion prevailed.

Mr. Speaker:

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

H. F. No. 654, A bill for an act relating to education; providing for general education revenue, transportation, special programs, community education, school facilities and equipment, education organization and cooperation, access to education excellence, school breakfast programs, sexual harassment and violence policies, parental involvement programs, libraries, state education agencies and education agency services, providing for limits on open enrollment and post-secondary options; appropriating money; amending Minnesota Statutes 1988, sections 43A.08, subdivision 1a; 120.06, by adding a subdivision; 120.062, subdivisions 4, 6, and by adding a subdivision; 120.17, subdivisions 3, 3b, and by adding a subdivision; 121.88, subdivisions 2 and 5; 121.882, subdivisions 2 and 4; 121.904, subdivision 4a; 121.908, subdivision 5; 121.912, subdivision 1; 121.935, subdivision 6; 122.23, by adding a subdivision; 122.43, subdivision 1; 122.532, subdivision 4; 122.541, subdivision 5; 122.91; 122.92; 122.93, subdivision 2, and by adding subdivisions; 122.94, subdivision 1, and by adding a subdivision; 122.95, subdivision 2, and by adding a subdivision; 123.3514, subdivisions 2, 4, 4c, 5, 7, and 10; 123.39, by adding a subdivision; 123.58, subdivision 9, and by adding a subdivision; 123.702, subdivisions 1, 1a, 2, 3, 4, and by adding subdivisions; 123.703, by adding subdivisions; 123.705, subdivision 1, and by adding a subdivision; 124.17, subdivision 1b; 124.19, subdivision 5; 124.195, subdivision 8; 124.2131, subdivision 1; 124.223; 124.225; 124.243, subdivision 3, and by adding a subdivision; 124.244, subdivision 2; 124.245, subdivision 3b; 124.26, subdivisions 1c, 7, and by adding a subdivision; 124.261; 124.271, by adding subdivisions; 124.2711, subdivisions 1, 3, 4, and by adding a subdivision; 124.2721; 124.273, subdivisions 1b, 4, 5, 7, and by adding a subdivision; 124.32, subdivisions 1b, 1d, and by adding a subdivision; 124.38, subdivision 7; 124.43, subdivision 1, and by adding a subdivision; 124.494, subdivision 2; 124.573, subdivision 2b, and by adding subdivisions; 124.574, subdivisions 1, 4, and 5; 124.575, subdivision 3; 124.82, subdivision 3; 124.83, subdivisions 3, 4, and 6; 124A.02, by adding a subdivision; 124A.03, subdivision 2; 124A.035, subdivisions 2 and 4; 124A.036, by adding a subdivision; 124A.22, subdivisions 2, 4, and 9; 124A.23, subdivision 1; 124A.28, subdivision 1; 124A.31; 126.151, subdivision 2; 126.23; 126.56, subdivision 4, and by adding a subdivision; 126.67, subdivision 8; 128A.09; 129.121, by adding a subdivision; 129C.10; 134.33, subdivision 1; 134.34, subdivisions 1, 2, 3, and 4; 134.35, subdivision 5; 136D.27, subdivision 1; 136D.74, subdivision 2; 136D.87, subdivision 1; 141.35; 273.1102, subdivision 3; 275.011, subdivision 1; 275.125, subdivisions 5, 5b, 5c, 5e, 6e, 6h, 6i, 8, 8b, 8c, 8e, 9, 9a, 9b, 9c, 11d, 14a, and by adding a subdivision; 354.094, subdivisions 1 and 2; 354.66, subdivision 4; 354A.091, subdivisions 1 and 2;

354A.094, subdivision 4; and 363.06, subdivision 3; Laws 1965, chapter 705, as amended; Laws 1976, chapter 20, section 4; Laws 1988, chapter 718, article 7, section 61, subdivisions 1, 2, and 3; chapter 719, article 5, section 84; proposing coding for new law in Minnesota Statutes, chapters 122; 124; 124A; 126; 127; 275; and 363; repealing Minnesota Statutes 1988, sections 120.062, subdivision 8; 123.702, subdivisions 1a, 5, 6, and 7; 124.217; 124.243, subdivision 4; 124.271, subdivision 26; 129B.11; 129B.48; 134.33, subdivision 1; 134.34, subdivision 5; and 275.125, subdivision 6f; Laws 1988, chapter 718, article 5, section 4.

PATRICK E. FLAHAVER, Secretary of the Senate

Nelson, K., moved that the House refuse to concur in the Senate amendments to H. F. No. 654, 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 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. 1423, A bill for an act relating to nursing home admission agreements; prohibiting use of blanket waivers of liability by continuing care facilities and nursing homes; requiring nursing home admission agreements to be available to the public and clarifying that such agreements are consumer contracts; prohibiting nursing homes from requiring third party guarantors; requiring nursing homes to identify their status as public benefits providers; prohibiting use of blanket consents for treatment; requiring written acknowledgment that residents have received a copy of the patients' bill of rights; providing penalties; requiring a facility fee payment to enrolled hospitals for certain emergency room or clinic visits; amending Minnesota Statutes 1988, section 80D.04, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapters 144; and 256B.

PATRICK E. FLAHAVER, Secretary of the Senate

Ogren moved that the House refuse to concur in the Senate amendments to H. F. No. 1423, that the Speaker appoint a Conference Committee of 3 members of the House, and that the House requests that a like committee be appointed by the Senate to confer on the disagreeing votes of the two houses. The motion prevailed.

Mr. Speaker:

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

H. F. No. 1454, A bill for an act relating to Itasca county; authorizing a petition to annex unorganized territory to the town of Spang to be signed by residents of the town.

PATRICK E. FLAHAVEN, Secretary of the Senate

Neuenschwander moved that the House refuse to concur in the Senate amendments to H. F. No. 1454, that the Speaker appoint a Conference Committee of 3 members of the House, and that the House requests that a like committee be appointed by the Senate to confer on the disagreeing votes of the two houses. The motion prevailed.

Mr. Speaker:

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

S. F. No. 206.

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

PATRICK E. FLAHAVEN, Secretary of the Senate

CONFERENCE COMMITTEE REPORT ON S. F. NO. 206

A bill for an act relating to state government; administrative procedures; regulating exempt rules; making certain technical changes; amending Minnesota Statutes 1988, sections 14.40; and 97A.051, subdivision 4; proposing coding for new law in Minnesota Statutes, chapter 3; repealing Minnesota Statutes 1988, sections 97A.051, subdivision 3; 144A.10, subdivision 6a; 174.031, subdivision 2; 254B.03, subdivision 6; 254B.04, subdivision 2; 257.357; and 574.262, subdivision 3; Laws 1985, chapter 4, section 8; and Laws 1987, chapter 337, section 128.

May 2, 1989

The Honorable Jerome M. Hughes
President of the Senate

The Honorable Robert E. Vanasek
Speaker of the House of Representatives

We, the undersigned conferees for S. F. No. 206, report that we have agreed upon the items in dispute and recommend as follows:

That the House recede from its amendment adopted April 27, 1989 and that the Senate concur in the House amendment adopted April 20, 1989.

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

Senate Conferees: WILLIAM V. BELANGER, JR., GENE WALDORF AND CARL W. KROENING.

House Conferees: PETER RODOSOVICH, SANDY PAPPAS AND KATHLEEN BLATZ.

Rodosovich moved that the report of the Conference Committee on S. F. No. 206 be adopted and that the bill be repassed as amended by the Conference Committee. The motion prevailed.

S. F. No. 206, A bill for an act relating to state government; administrative procedures; regulating exempt rules; making certain technical changes; amending Minnesota Statutes 1988, sections 14.40; and 97A.051, subdivision 4; proposing coding for new law in Minnesota Statutes, chapter 3; repealing Minnesota Statutes 1988, sections 97A.051, subdivision 3; 144A.10, subdivision 6a; 174.031, subdivision 2; 254B.03, subdivision 6; 254B.04, subdivision 2; 257.357; and 574.262, subdivision 3; Laws 1985, chapter 4, section 8; and Laws 1987, chapter 337, section 128.

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

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

Those who voted in the affirmative were:

Abrams

Anderson, G.

Anderson, R.

Battaglia

Bauerly

Beard	Gutknecht	Lieder	Orenstein	Schreiber
Begich	Hartle	Limmer	Osthoff	Seaberg
Bennett	Hasskamp	Long	Ostrom	Simoneau
Bertram	Haukoos	Macklin	Otis	Skoglund
Bishop	Heap	Marsh	Ozment	Solberg
Blatz	Henry	McDonald	Pappas	Sparby
Boo	Himle	McEachern	Pauly	Stanius
Brown	Hugoson	McGuire	Pellow	Steensma
Carlson, D.	Jacobs	McLaughlin	Pelowski	Svigum
Carlson, L.	Janezich	McPherson	Peterson	Swenson
Carruthers	Jaros	Milbert	Poppenhagen	Tjornhom
Clark	Jefferson	Miller	Price	Tompkins
Conway	Jennings	Morrison	Pugh	Trimble
Cooper	Johnson, A.	Munger	Quinn	Tunheim
Dauner	Johnson, R.	Murphy	Redalen	Uphus
Dawkins	Johnson, V.	Nelson, C.	Reding	Valento
Dempsey	Kahn	Nelson, K.	Rest	Vellenga
Dille	Kalis	Neuenschwander	Rice	Wagenius
Dorn	Kelly	O'Connor	Richter	Waltman
Forsythe	Kelso	Ogren	Rodosovich	Weaver
Frederick	Kinkel	Olsen, S.	Rukavina	Welle
Frerichs	Knickerbocker	Olson, E.	Runbeck	Wenzel
Girard	Kostohryz	Olson, K.	Sarna	Williams
Greenfield	Krueger	Omann	Schafer	Winter
Gruenes	Lasley	Onnen	Scheid	Wynia
				Spk. Vanasek

The bill was repassed, as amended by Conference, 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. 502, A bill for an act relating to state lands; authorizing private conveyance of tax-forfeited land bordering public water in Washington county.

PATRICK E. FLAHAVEN, Secretary of the Senate

CONCURRENCE AND REPASSAGE

Swenson moved that the House concur in the Senate amendments to H. F. No. 502 and that the bill be repassed as amended by the Senate. The motion prevailed.

H. F. No. 502, A bill for an act relating to state lands; authorizing private conveyance of tax-forfeited land bordering public water in Washington county.

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

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

Those who voted in the affirmative were:

Abrams	Frerichs	Krueger	Orenstein	Simoneau
Anderson, G.	Girard	Lasley	Osthoff	Skoglund
Anderson, R.	Greenfield	Lieder	Ostrom	Solberg
Battaglia	Gruenes	Limmer	Otis	Sparby
Bauerly	Gutknecht	Long	Ozment	Stanius
Beard	Hartle	Macklin	Pappas	Steensma
Begich	Hasskamp	Marsh	Pauly	Sviggum
Bennett	Haukoos	McDonald	Pellow	Swenson
Bertram	Heap	McEachern	Pelowski	Tjornhom
Bishop	Henry	McGuire	Peterson	Tompkins
Blatz	Himle	McLaughlin	Poppenhagen	Trimble
Boo	Hugoson	McPherson	Price	Tunheim
Brown	Jacobs	Milbert	Pugh	Uphus
Burger	Janezich	Miller	Quinn	Valento
Carlson, D.	Jaros	Morrison	Redalen	Vellenga
Carlson, L.	Jefferson	Munger	Reding	Wagenius
Carruthers	Jennings	Murphy	Rest	Waltman
Clark	Johnson, A.	Nelson, C.	Rice	Weaver
Conway	Johnson, R.	Nelson, K.	Richter	Welle
Cooper	Johnson, V.	Neuenschwander	Rodosovich	Wenzel
Dauner	Kahn	O'Connor	Rukavina	Williams
Dawkins	Kalis	Ogren	Runbeck	Winter
Dempsey	Kelly	Olsen, S.	Sarna	Wynia
Dille	Kelso	Olson, E.	Schafer	Spk. Vanasek
Dorn	Kinkel	Olson, K.	Scheid	
Forsythe	Knickerbocker	Omann	Schreiber	
Frederick	Kostohryz	Onnen	Seaberg	

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. 101, A bill for an act relating to education; requiring the student member of the board of regents to be a student at the time of election; amending Minnesota Statutes 1988, section 137.023.

PATRICK E. FLAHAVEN, Secretary of the Senate

CONCURRENCE AND REPASSAGE

Johnson, A., moved that the House concur in the Senate amendments to H. F. No. 101 and that the bill be repassed as amended by the Senate. The motion prevailed.

H. F. No. 101, A bill for an act relating to education; requiring the

student member of the board of regents to be a student at the time of election; amending Minnesota Statutes 1988, section 137.023.

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

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

Those who voted in the affirmative were:

Abrams	Frederick	Kostohryz	Omann	Scheid
Anderson, G.	Frerichs	Krueger	Onnen	Schreiber
Anderson, R.	Girard	Lasley	Orenstein	Seaberg
Battaglia	Greenfield	Lieder	Osthoff	Simoneau
Bauerly	Gruenes	Limmer	Ostrom	Skoglund
Beard	Gutknecht	Long	Otis	Solberg
Begich	Hartle	Macklin	Ozment	Sparby
Bennett	Hasskamp	Marsh	Pappas	Stanisus
Bertram	Haukoos	McDonald	Pauly	Steensma
Bishop	Henry	McEachern	Pellow	Swiggum
Blatz	Himle	McGuire	Pelowski	Swenson
Boo	Hugoson	McLaughlin	Peterson	Tjornhom
Brown	Jacobs	McPherson	Poppenhagen	Tompkins
Burger	Janezich	Milbert	Price	Trimble
Carlson, D.	Jaros	Miller	Pugh	Tunheim
Carlson, L.	Jefferson	Morrison	Quinn	Uphus
Carruthers	Jennings	Munger	Redalen	Valento
Clark	Johnson, A.	Murphy	Reding	Vellenga
Conway	Johnson, R.	Nelson, C.	Rest	Wagenius
Cooper	Johnson, V.	Nelson, K.	Rice	Waltman
Dauner	Kahn	Neuenschwander	Richter	Weaver
Dawkins	Kalis	O'Connor	Rodosovich	Welle
Dempsey	Kelly	Ogren	Rukavina	Wenzel
Dille	Kelso	Olsen, S.	Runbeck	Williams
Dorn	Kinkel	Olson, E.	Sarna	Winter
Forsythe	Knickerbocker	Olson, K.	Schafer	Wynia
				Spk. Vanasek

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

Mr. Speaker:

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

H. F. No. 242, A bill for an act relating to transportation; providing for strength, width, clearance, and safety standards for bridges; amending Minnesota Statutes 1988, section 165.03, subdivision 1.

PATRICK E. FLAHAVEN, Secretary of the Senate

CONCURRENCE AND REPASSAGE

Dauner moved that the House concur in the Senate amendments

to H. F. No. 242 and that the bill be re-passed as amended by the Senate. The motion prevailed.

H. F. No. 242, A bill for an act relating to transportation; providing for strength, width, clearance, and safety standards for bridges; amending Minnesota Statutes 1988, section 165.03, subdivision 1.

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

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

Those who voted in the affirmative were:

Abrams	Frederick	Knickerbocker	Onnen	Schreiber
Anderson, G.	Frerichs	Kostohryz	Orenstein	Seaberg
Anderson, R.	Girard	Krueger	Osthoff	Simoneau
Battaglia	Greenfield	Lasley	Ostrom	Skoglund
Bauerly	Gruenes	Lieder	Otis	Solberg
Beard	Gutknecht	Limmer	Ozment	Sparby
Begich	Hartle	Macklin	Pappas	Stanius
Bennett	Hasskamp	Marsh	Pauly	Steensma
Bertram	Haukoos	McDonald	Pellow	Sviggum
Bishop	Heap	McEachern	Pelowski	Swenson
Blatz	Henry	McGuire	Peterson	Tjornhom
Boo	Himle	McLaughlin	Poppenhagen	Tompkins
Brown	Hugoson	McPherson	Price	Trimble
Burger	Jacobs	Milbert	Pugh	Tunheim
Carlson, D.	Janezich	Miller	Quinn	Uphus
Carlson, L.	Jaros	Morrison	Redalen	Valento
Carruthers	Jefferson	Munger	Reding	Vellenga
Clark	Jennings	Murphy	Rest	Wagenius
Conway	Johnson, A.	Nelson, C.	Rice	Waltman
Cooper	Johnson, R.	Neuenschwander	Richter	Weaver
Dauner	Johnson, V.	O'Connor	Rodosovich	Welle
Dawkins	Kahn	Ogren	Rukavina	Wenzel
Dempsey	Kalis	Olsen, S.	Runbeck	Williams
Dille	Kelly	Olson, E.	Sarna	Winter
Dorn	Kelso	Olson, K.	Schafer	Wynia
Forsythe	Kinkel	Omam	Scheid	Spk. Vanasek

The bill was re-passed, 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. 647, A bill for an act relating to crimes; prohibiting the intentional distribution of destructive computer programs; imposing penalties; amending Minnesota Statutes 1988, sections 609.87, by

adding a subdivision; and 609.88, subdivision 1.

PATRICK E. FLAHAVEN, Secretary of the Senate

CONCURRENCE AND REPASSAGE

Kahn moved that the House concur in the Senate amendments to H. F. No. 647 and that the bill be repassed as amended by the Senate. The motion prevailed.

H. F. No. 647, A bill for an act relating to crimes; prohibiting the intentional distribution of destructive computer programs; imposing penalties; amending Minnesota Statutes 1988, sections 609.87, by adding a subdivision; and 609.88, subdivision 1.

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

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

Those who voted in the affirmative were:

Abrams	Frerichs	Krueger	Orenstein	Simoneau
Anderson, G.	Girard	Lasley	Osthoff	Skoglund
Anderson, R.	Greenfield	Lieder	Ostrom	Solberg
Battaglia	Gruenes	Limmer	Otis	Sparby
Bauerly	Gutknecht	Long	Ozment	Stanius
Beard	Hartle	Macklin	Pappas	Steensma
Begich	Hasskamp	Marsh	Pauly	Sviggum
Bennett	Haukoos	McDonald	Pellow	Swenson
Bertram	Heap	McEachern	Pelowski	Tjornhom
Bishop	Henry	McGuire	Peterson	Tompkins
Blatz	Himle	McLaughlin	Poppenhagen	Trimble
Boo	Hugoson	McPherson	Price	Tunheim
Brown	Jacobs	Milbert	Pugh	Uphus
Burger	Janezich	Miller	Quinn	Valento
Carlson, D.	Jaros	Morrison	Redalen	Vellenga
Carlson, L.	Jefferson	Munger	Reding	Wagenius
Carruthers	Jennings	Murphy	Rest	Waltman
Clark	Johnson, A.	Nelson, C.	Rice	Weaver
Conway	Johnson, R.	Nelson, K.	Richter	Welle
Cooper	Johnson, V.	Neuenschwander	Rodosovich	Wenzel
Dauner	Kahn	O'Connor	Rukavina	Williams
Dawkins	Kalis	Ogren	Runbeck	Winter
Dempsey	Kelly	Olsen, S.	Sarna	Wynia
Dille	Kelso	Olson, E.	Schafer	Spk. Vanasek
Dorn	Kinkel	Olson, K.	Scheid	
Forsythe	Knickerbocker	Omann	Schreiber	
Frederick	Kostohryz	Onnen	Seaberg	

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. 1282, A bill for an act relating to mechanics' liens; clarifying and simplifying the contractors' and subcontractors' notice; amending Minnesota Statutes 1988, section 514.011, subdivisions 1, 2, and by adding a subdivision.

PATRICK E. FLAHAVEN, Secretary of the Senate

CONCURRENCE AND REPASSAGE

Orenstein moved that the House concur in the Senate amendments to H. F. No. 1282 and that the bill be repassed as amended by the Senate. The motion prevailed.

H. F. No. 1282; A bill for an act relating to mechanics' liens; clarifying and simplifying the contractors' and subcontractors' notice; providing that failure to strictly comply with subcontractor notice requirements does not result in loss of lien under certain circumstances; amending Minnesota Statutes 1988, section 514.011, subdivisions 1, 2, and by adding a subdivision.

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

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

Those who voted in the affirmative were:

Abrams	Dauner	Jacobs	Long	Olson, K.
Anderson, G.	Dawkins	Janezich	Macklin	Omann
Anderson, R.	Dempsey	Jaros	Marsh	Onnen
Battaglia	Dille	Jefferson	McDonald	Orenstein
Bauerly	Dorn	Jennings	McEachern	Osthoff
Beard	Forsythe	Johnson, A.	McGuire	Ostrom
Begich	Frederick	Johnson, R.	McLaughlin	Otis
Bennett	Frerichs	Johnson, V.	McPherson	Ozment
Bertram	Girard	Kahn	Milbert	Pappas
Bishop	Greenfield	Kalis	Miller	Pauly
Blatz	Gruenes	Kelly	Munger	Pellow
Boo	Gutknecht	Kelso	Murphy	Pelowski
Brown	Hartle	Kinkel	Nelson, C.	Peterson
Carlson, D.	Hasskamp	Knickerbocker	Nelson, K.	Poppenhagen
Carlson, L.	Haukoos	Kostohryz	Neuenschwander	Price
Carruthers	Heap	Krueger	O'Connor	Pugh
Clark	Henry	Lasley	Ogren	Quinn
Conway	Himle	Lieder	Olson, S.	Redalen
Cooper	Hugoson	Limmer	Olson, E.	Reding

Rest	Schafer	Sparby	Trimble	Weaver
Rice	Scheid	Stanius	Tunheim	Welle
Richter	Schreiber	Steensma	Uphus	Wenzel
Rodosovich	Seaberg	Sviggum	Valento	Williams
Rukavina	Simoneau	Swenson	Vellenga	Winter
Runbeck	Skoglund	Tjornhom	Wagenius	Wynia
Sarna	Solberg	Tompkins	Waltman	Spk. Vanasek

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

Mr. Speaker:

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

H. F. No. 1027, A bill for an act relating to state employees; authorizing the donation of accrued vacation time by state employees in 1989 to pay unreimbursed medical costs incurred by other state employees.

PATRICK E. FLAHAVERN, Secretary of the Senate

CONCURRENCE AND REPASSAGE

Janezich moved that the House concur in the Senate amendments to H. F. No. 1027 and that the bill be repassed as amended by the Senate. The motion prevailed.

H. F. No. 1027, A bill for an act relating to state employees; authorizing the donation of accrued vacation time by state employees in 1989 to pay unreimbursed medical costs incurred by other state employees.

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

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

Those who voted in the affirmative were:

Abrams	Bishop	Conway	Frerichs	Henry
Anderson, G.	Blatz	Cooper	Girard	Himle
Anderson, R.	Boo	Dauner	Greenfield	Jacobs
Battaglia	Brown	Dawkins	Gruenes	Janezich
Bauerly	Burger	Dempsey	Gutknecht	Jaros
Beard	Carlson, D.	Dille	Hartle	Jefferson
Begich	Carlson, L.	Dorn	Hasskamp	Jennings
Bennett	Carruthers	Forsythe	Haukoos	Johnson, A.
Bertram	Clark	Frederick	Heap	Johnson, R.

Johnson, V.	McGuire	Orenstein	Rice	Swenson
Kahn	McLaughlin	Osthoff	Richter	Tjornhom
Kalis	McPherson	Ostrom	Rodosovich	Tompkins
Kelly	Milbert	Otis	Rukavina	Trimble
Kelso	Miller	Ozment	Runbeck	Tunheim
Kinkel	Morrison	Pappas	Sarna	Uphus
Knickerbocker	Munger	Pauly	Schafer	Valento
Kostohryz	Murphy	Pellow	Scheid	Vellenga
Krueger	Nelson, C.	Pelowski	Schreiber	Wagenius
Lasley	Nelson, K.	Peterson	Seaberg	Waltman
Lieder	Neuenschwander	Poppenhagen	Simoneau	Weaver
Limmer	O'Connor	Price	Skoglund	Welle
Long	Olsen, S.	Pugh	Solberg	Wenzel
Macklin	Olson, E.	Quinn	Sparby	Williams
Marsh	Olson, K.	Redalen	Stantus	Winter
McDonald	Omann	Reding	Steensma	Wynia
McEachern	Onnen	Rest	Sviggum	Spk. Vanasek

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

Mr. Speaker:

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

H. F. No. 1104, A bill for an act relating to county personnel boards and other state and local government bodies; increasing the size of the Ramsey county personnel board; permitting the director to issue subpoenas; providing for court enforcement of state and local government entity subpoena powers; amending Minnesota Statutes 1988, sections 383A.287, subdivision 2; 383A.294, by adding a subdivision; 383B.36, subdivision 2; and 383C.048; proposing coding for new law as Minnesota Statutes, chapter 594.

PATRICK E. FLAHAVEN, Secretary of the Senate

CONCURRENCE AND REPASSAGE

Trimble moved that the House concur in the Senate amendments to H. F. No. 1104 and that the bill be repassed as amended by the Senate. The motion prevailed.

H. F. No. 1104, A bill for an act relating to Ramsey county; increasing the size of the personnel board; permitting the personnel director to issue certain subpoenas; amending Minnesota Statutes 1988, sections 383A.287, subdivision 2; and 383A.294, by adding a subdivision.

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

The question was taken on the repassage of the bill and the roll was called. There were 130 yeas and 2 nays as follows:

Those who voted in the affirmative were:

Abrams	Frerichs	Kostohryz	Omann	Scheid
Anderson, G.	Girard	Krueger	Onnen	Seaberg
Anderson, R.	Greenfield	Lasley	Orenstein	Simoneau
Battaglia	Gruenes	Lieder	Osthoff	Skoglund
Bauerly	Gutknecht	Limmer	Ostrom	Solberg
Beard	Hartle	Long	Otis	Sparby
Begich	Hasskamp	Macklin	Ozment	Stanius
Bennett	Haukoos	Marsh	Pappas	Steensma
Bertram	Heap	McDonald	Pauly	Svigum
Bishop	Henry	McEachern	Pellow	Swenson
Blatz	Himle	McGuire	Pelowski	Tjornhom
Boo	Hugoson	McLaughlin	Peterson	Tompkins
Brown	Jacobs	McPherson	Poppenhagen	Trimble
Burger	Janezich	Milbert	Price	Tunheim
Carlson, D.	Jaros	Miller	Pugh	Uphus
Carlson, L.	Jefferson	Morrison	Quinn	Valento
Carruthers	Jennings	Munger	Redalen	Vellenga
Clark	Johnson, A.	Murphy	Reding	Wagenius
Conway	Johnson, R.	Nelson, C.	Rest	Waltman
Cooper	Johnson, V.	Nelson, K.	Rice	Weaver
Dauner	Kahn	Neuenschwander	Richter	Welle
Dawkins	Kalis	O'Connor	Rodosovich	Wenzel
Dille	Kelly	Ogren	Rukavina	Williams
Dorn	Kelso	Olsen, S.	Runbeck	Winter
Forsythe	Kinkel	Olson, E.	Sarna	Wynia
Frederick	Knickerbocker	Olson, K.	Schafer	Spk. Vanasek

Those who voted in the negative were:

Dempsey Schreiber

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. 1151, A bill for an act relating to probate; changing procedure for notice to certain creditors; changing certain time limits; amending Minnesota Statutes 1988, sections 524.3-801; 524.3-802; 524.3-803; and 524.3-807.

PATRICK E. FLAHAVEN, Secretary of the Senate

CONCURRENCE AND REPASSAGE

Bishop moved that the House concur in the Senate amendments to

H. F. No. 1151 and that the bill be repassed as amended by the Senate. The motion prevailed.

H. F. No. 1151, A bill for an act relating to probate; changing procedure for notice to certain creditors; changing certain time limits; amending Minnesota Statutes 1988, sections 524.3-801; 524.3-802; 524.3-803; and 524.3-807.

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

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

Those who voted in the affirmative were:

Abrams	Frederick	Knickerbocker	Olson, K.	Scheid
Anderson, G.	Frerichs	Kostohryz	Omann	Schreiber
Anderson, R.	Girard	Krueger	Onnen	Seaberg
Battaglia	Greenfield	Lasley	Orenstein	Simoneau
Bauerly	Gruenes	Lieder	Osthoff	Skoglund
Beard	Gutknecht	Limmer	Ostrom	Solberg
Begich	Hartle	Long	Otis	Sparby
Bennett	Hasskamp	Macklin	Ozment	Stanius
Bertram	Haukoos	Marsh	Pappas	Steensma
Bishop	Heap	McDonald	Pauly	Sviggum
Blatz	Henry	McEachern	Pelowski	Swenson
Boo	Himle	McGuire	Peterson	Tjornhom
Brown	Hugoson	McLaughlin	Poppenhagen	Tompkins
Burger	Jacobs	McPherson	Price	Trimble
Carlson, D.	Janezich	Milbert	Pugh	Tunheim
Carlson, L.	Jaros	Miller	Quinn	Uphus
Carruthers	Jefferson	Morrison	Redalen	Valento
Clark	Jennings	Munger	Reding	Vellenga
Conway	Johnson, A.	Murphy	Rest	Wagenius
Cooper	Johnson, R.	Nelson, C.	Rice	Waltman
Dauner	Johnson, V.	Nelson, K.	Richter	Weaver
Dawkins	Kahn	Neuenschwander	Rodosovich	Welle
Dempsey	Kalis	O'Connor	Rukavina	Wenzel
Dille	Kelly	Ogren	Runbeck	Williams
Dorn	Kelso	Olsen, S.	Sarna	Winter
Forsythe	Kinkel	Olson, E.	Schafer	Wynia
				Spk. Vanasek

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

Mr. Speaker:

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

H. F. No. 1339, A bill for an act relating to agricultural societies; permitting certain officials to serve on societies; limiting the tort

liability of certain board members; amending Minnesota Statutes 1988, sections 38.013; and 38.04.

PATRICK E. FLAHAVEN, Secretary of the Senate

CONCURRENCE AND REPASSAGE

Simoneau moved that the House concur in the Senate amendments to H. F. No. 1339 and that the bill be repassed as amended by the Senate. The motion prevailed.

H. F. No. 1339, A bill for an act relating to agricultural societies; clarifying that society board members and officers are not public officials, and that elected officials may serve on the board or as officers; amending Minnesota Statutes 1988, section 38.04.

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 125 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Abrams	Frederick	Kostohryz	Osthoff	Seaberg
Anderson, G.	Frerichs	Krueger	Ostrom	Simoneau
Anderson, R.	Girard	Lasley	Otis	Skoglund
Battaglia	Greenfield	Lieder	Ozment	Solberg
Bauerly	Gruenes	Limmer	Pappas	Sparby
Beard	Gutknecht	Long	Pauly	Stanius
Begich	Hartle	Macklin	Pellow	Steensma
Bennett	Hasskamp	Marsh	Pelowski	Sviggum
Bertram	Haukoos	McDonald	Peterson	Swenson
Blatz	Heap	McGuire	Poppenhagen	Tjornhom
Boo	Henry	McLaughlin	Price	Tompkins
Brown	Himle	McPherson	Pugh	Trimble
Burger	Hugoson	Milbert	Quinn	Tunheim
Carlson, D.	Jacobs	Miller	Redalen	Uphus
Carlson, L.	Janezich	Morrison	Reding	Valento
Carruthers	Jaros	Murphy	Rest	Vellenga
Clark	Jefferson	Nelson, C.	Rice	Wagenius
Conway	Jennings	Nelson, K.	Richter	Waltman
Cooper	Johnson, A.	O'Connor	Rodosovich	Weaver
Dauner	Johnson, R.	Ogren	Rukavina	Welle
Dawkins	Johnson, V.	Olsen, S.	Runbeck	Wenzel
Dempsey	Kahn	Olson, E.	Sarna	Williams
Dille	Kelly	Omann	Schafer	Winter
Dorn	Kinkel	Onnen	Scheid	Wynia
Forsythe	Knickerbocker	Orenstein	Schreiber	Spk. Vanasek

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

Mr. Speaker:

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

H. F. No. 719, A bill for an act relating to economic development; authorizing certain local jurisdictions to contribute to local or regional economic development organizations; proposing coding for new law in Minnesota Statutes, chapter 469.

PATRICK E. FLAHAVEN, Secretary of the Senate

CONCURRENCE AND REPASSAGE

Nelson, C., moved that the House concur in the Senate amendments to H. F. No. 719 and that the bill be repassed as amended by the Senate. The motion prevailed.

H. F. No. 719, A bill for an act relating to economic development; authorizing certain local jurisdictions to contribute to local or regional economic development organizations; proposing coding for new law in Minnesota Statutes, chapter 469.

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 127 yeas and 2 nays as follows:

Those who voted in the affirmative were:

Abrams	Dille	Johnson, A.	Milbert	Pellow
Anderson, G.	Dorn	Johnson, R.	Miller	Pelowski
Anderson, R.	Forsythe	Johnson, V.	Morrison	Peterson
Battaglia	Frederick	Kahn	Murphy	Poppenhagen
Bauerly	Frerichs	Kelly	Nelson, C.	Price
Beard	Girard	Kelso	Nelson, K.	Pugh
Begich	Greenfield	Kinkel	Neuenschwander	Quinn
Bennett	Gruenes	Knickerbocker	O'Connor	Redalen
Bertram	Gutknecht	Kostohryz	Ogren	Reding
Boo	Hartle	Krueger	Olsen, S.	Rest
Brown	Hasskamp	Lasley	Olson, E.	Rice
Burger	Haukoos	Lieder	Olson, K.	Richter
Carlson, D.	Heap	Limmer	Omann	Rodosovich
Carlson, L.	Henry	Long	Onnen	Rukavina
Carruthers	Himle	Macklin	Orenstein	Runbeck
Clark	Hugoson	Marsh	Osthoff	Sarna
Conway	Jacobs	McDonald	Ostrom	Schafer
Cooper	Janezich	McEachern	Otis	Scheid
Dauner	Jaros	McGuire	Ozment	Seaberg
Dawkins	Jefferson	McLaughlin	Pappas	Simoneau
Dempsey	Jennings	McPherson	Pauly	Skoglund

Solberg	Swenson	Uphus	Weaver	Wynia
Sparby	Tjornhom	Valento	Welle	Spk. Vanasek
Stanius	Tompkins	Vellenga	Wenzel	
Steensma	Trimble	Wagenius	Williams	
Sviggun	Tunheim	Waltman	Winter	

Those who voted in the negative were:

Blatz Schreiber

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

Nelson, C., was excused between the hours of 1:05 p.m. and 3:10 p.m.

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. 1323, A bill for an act relating to financial institutions; amending Minnesota Statutes 1988, sections 46.041, subdivision 2; 47.015, subdivision 1; 47.101, subdivision 2; 47.16, subdivision 1; 47.54, subdivision 1; 48.475, subdivision 3; 48.48, subdivision 1; 49.24, subdivision 9; 49.33; 49.34, subdivision 1; 49.35; 49.36, subdivision 1; 49.37; 49.38; 49.39; 49.40; 49.41; 53.015; 53.02; 53.03, subdivisions 1 and 5; 53.05; 53.06; 53.08; 53.09, subdivision 3; 54.294, subdivision 1; 56.131, subdivision 1; and 56.155, subdivision 2.

PATRICK E. FLAHAVEN, Secretary of the Senate

CONCURRENCE AND REPASSAGE

Carlson, L., moved that the House concur in the Senate amendments to H. F. No. 1323 and that the bill be repassed as amended by the Senate. The motion prevailed.

H. F. No. 1323, A bill for an act relating to financial institutions; industrial loan and thrifts; regulating capital stock and surplus requirements; regulating the publication of application notices; imposing a residency requirement on directors of certain companies; imposing special dividend conditions for deposit companies; amending Minnesota Statutes 1988, sections 46.041, subdivision 2; 47.015, subdivision 1; 47.101, subdivision 2; 47.16, subdivision 1; 47.54, subdivision 1; 48.475, subdivision 3; 48.48, subdivision 1; 49.33; 49.34, subdivision 1; 49.35; 49.36, subdivision 1; 49.37; 49.38; 49.39; 49.40; 49.41; 53.015; 53.02; 53.03, subdivisions 1 and 5; 53.05; 53.06; 53.08; 53.09, subdivision 3; 54.294, subdivision 1; 56.131, subdivision 1; and 56.155, subdivision 2; and 118.01, subdivision 1.

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

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

Those who voted in the affirmative were:

Abrams	Frederick	Knickerbocker	Omann	Scheid
Anderson, G.	Frerichs	Kostohryz	Onnen	Schreiber
Anderson, R.	Girard	Krueger	Orenstein	Seaberg
Battaglia	Greenfield	Lasley	Osthoff	Simoneau
Bauerly	Gruenes	Lieder	Ostrom	Skoglund
Beard	Gutknecht	Limmer	Otis	Solberg
Begich	Hartle	Long	Ozment	Sparby
Bennett	Hasskamp	Macklin	Pappas	Stanius
Bertram	Haukoos	Marsh	Pauly	Stensma
Bishop	Heap	McDonald	Pellow	Sviggum
Blatz	Henry	McEachern	Pelowski	Swenson
Boo	Himale	McGuire	Peterson	Tjornhom
Brown	Hugoson	McLaughlin	Poppenhagen	Tompkins
Burger	Jacobs	McPherson	Price	Trimble
Carlson, D.	Janezich	Milbert	Pugh	Tunheim
Carlson, L.	Jaros	Miller	Quinn	Uphus
Carruthers	Jefferson	Morrison	Redalen	Valento
Clark	Jennings	Munger	Reding	Vellenga
Conway	Johnson, A.	Murphy	Rest	Wagenius
Cooper	Johnson, R.	Nelson, K.	Rice	Waltman
Dauner	Johnson, V.	Neuenschwander	Richter	Weaver
Dawkins	Kahn	O'Connor	Rodosovich	Welle
Dempsey	Kalis	Ogren	Rukavina	Wenzel
Dille	Kelly	Olsen, S.	Runbeck	Williams
Dorn	Kelso	Olson, E.	Sarna	Winter
Forsythe	Kinkel	Olson, K.	Schafer	Wynia

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. 30, A bill for an act relating to employment; requiring breaks during the work day; proposing coding for new law in Minnesota Statutes, chapter 177.

PATRICK E. FLAHAVEN, Secretary of the Senate

CONCURRENCE AND REPASSAGE

Carruthers moved that the House concur in the Senate amendments to H. F. No. 30 and that the bill be repassed as amended by the Senate. The motion prevailed.

H. F. No. 30, A bill for an act relating to employment; requiring meal breaks during the work day; proposing coding for new law in Minnesota Statutes, chapter 177.

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 127 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Abrams	Frederick	Lasley	Osthoff	Skoglund
Anderson, G.	Frerichs	Lieder	Ostrom	Solberg
Anderson, R.	Girard	Limmer	Otis	Sparby
Battaglia	Greenfield	Long	Ozment	Stanius
Bauerly	Gruenes	Macklin	Pappas	Steensma
Beard	Gutknecht	Marsh	Pauly	Sviggum
Begich	Hartle	McDonald	Pellow	Swenson
Bennett	Hasskamp	McEachern	Pelowski	Tjornhom
Bertram	Haukoos	McGuire	Peterson	Tompkins
Bishop	Heap	McLaughlin	Price	Trimble
Blatz	Henry	McPherson	Pugh	Tunheim
Boo	Himle	Milbert	Quinn	Uphus
Brown	Hugoson	Miller	Redalen	Valento
Burger	Jacobs	Morrison	Reding	Vellenga
Carlson, D.	Janezich	Munger	Rest	Wagenius
Carlson, L.	Jefferson	Murphy	Rice	Waltman
Carruthers	Jennings	Nelson, K.	Richter	Weaver
Clark	Johnson, A.	Neuenschwander	Rodosovich	Welle
Conway	Johnson, V.	O'Connor	Rukavina	Wenzel
Cooper	Kalis	Ogren	Runbeck	Williams
Dauner	Kelly	Olsen, S.	Sarna	Winter
Dawkins	Kelso	Olson, E.	Schafer	Wynia
Dempsey	Kinkel	Olson, K.	Scheid	Spk. Vanasek
Dille	Knickerbocker	Omann	Schreiber	
Dorn	Kostohryz	Onnen	Seaberg	
Forsythe	Krueger	Orenstein	Simoneau	

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. 169, A bill for an act relating to game and fish; authorizing elderly residents to take fish by spearing without a license; amending Minnesota Statutes 1988, section 97A.451, by adding a subdivision.

PATRICK E. FLAHAVERN, Secretary of the Senate

CONCURRENCE AND REPASSAGE

Battaglia moved that the House concur in the Senate amendments to H. F. No. 169 and that the bill be repassed as amended by the Senate. The motion prevailed.

H. F. No. 169, A bill for an act relating to game and fish; authorizing residents over age 65 to take fish by spearing without a license; amending Minnesota Statutes 1988, section 97A.451, by adding a subdivision.

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

The question was taken on the repassage of the bill and the roll was called. There were 95 yeas and 36 nays as follows:

Those who voted in the affirmative were:

Anderson, G.	Dorn	Kostohryz	Omamn	Schafer
Anderson, R.	Frederick	Krueger	Onnen	Simoneau
Battaglia	Greenfield	Lieder	Orenstein	Solberg
Bauerly	Gruenes	Limmer	Otis	Sparby
Begich	Hartle	Macklin	Pappas	Steensma
Bertram	Hasskamp	Marsh	Pauly	Sviggum
Bishop	Heap	McEachern	Pelowski	Swenson
Boo	Henry	McGuire	Peterson	Trimble
Brown	Jacobs	McLaughlin	Poppenhagen	Tunheim
Carlson, D.	Janezich	Milbert	Price	Uphus
Carlson, L.	Jaros	Morrison	Pugh	Valento
Carruthers	Jefferson	Munger	Quinn	Vellenga
Clark	Johnson, A.	Murphy	Reding	Waltman
Conway	Johnson, R.	Nelson, K.	Rest	Welle
Cooper	Johnson, V.	Neuenschwander	Rice	Wenzel
Dauner	Kalis	O'Connor	Rodosovich	Williams
Dawkins	Kelly	Ogren	Rukavina	Winter
Dempsey	Kelso	Olson, E.	Runbeck	Wynia
Dille	Kinkel	Olson, K.	Sarna	Spk. Vanasek

Those who voted in the negative were:

Abrams	Girard	Knickerbocker	Osthoff	Schreiber
Beard	Gutknecht	Lasley	Ostrom	Seaberg
Bennett	Haukoos	Long	Ozment	Skoglund
Blatz	Himle	McDonald	Pellow	Stanius
Burger	Hugoson	McPherson	Redalen	Tjornhom
Forsythe	Jennings	Miller	Richter	Tompkins
Frerichs	Kahn	Olsen, S.	Scheid	Wagenius
				Weaver

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. 966, A bill for an act relating to transportation; providing for the recording of transportation corridors other than streets or highways; removing legislative route 249 from the trunk highway system; amending Minnesota Statutes 1988, section 505.1792, subdivision 1.

PATRICK E. FLAHAVERN, Secretary of the Senate

CONCURRENCE AND REPASSAGE

Johnson, V., moved that the House concur in the Senate amendments to H. F. No. 966 and that the bill be repassed as amended by the Senate. The motion prevailed.

H. F. No. 966, A bill for an act relating to highways; removing legislative route 249 from the trunk highway system.

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

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

Those who voted in the affirmative were:

Abrams	Frederick	Knickerbocker	Omamm	Scheid
Anderson, G.	Frerichs	Kostohryz	Onnen	Schreiber
Anderson, R.	Girard	Krueger	Orenstein	Seaberg
Battaglia	Greenfield	Lasley	Osthoff	Simoneau
Bauerly	Gruenes	Lieder	Ostrom	Skoglund
Beard	Gutknecht	Limmer	Otis	Solberg
Begich	Hartle	Long	Ozment	Sparby
Bennett	Hasskamp	Macklin	Pappas	Stanius
Bertram	Haukoos	Marsh	Pauly	Steensma
Bishop	Heap	McDonald	Pellow	Sviggum
Blatz	Henry	McEachern	Pelowski	Swenson
Boo	Himle	McGuire	Peterson	Tjornhom
Brown	Hugoson	McLaughlin	Poppenhagen	Tompkins
Burger	Jacobs	McPherson	Price	Trimble
Carlson, D.	Janezich	Milbert	Pugh	Tunheim
Carlson, L.	Jaros	Miller	Quinn	Uphus
Carruthers	Jefferson	Morrison	Redalen	Vellenga
Clark	Jennings	Munger	Reding	Wagenius
Conway	Johnson, A.	Murphy	Rest	Waltman
Cooper	Johnson, R.	Nelson, K.	Rice	Weaver
Dauner	Johnson, V.	Neuenschwander	Richter	Welle
Dawkins	Kahn	O'Connor	Rodosovich	Wenzel
Dempsey	Kalis	Ogren	Rukavina	Williams
Dille	Kelly	Olsen, S.	Runbeck	Winter
Dorn	Kelso	Olson, E.	Sarna	Wynia
Forsythe	Kinkel	Olson, K.	Schafer	Spk. Vanasek

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

Mr. Speaker:

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

H. F. No. 1354, A bill for an act relating to insurance; regulating cancellations and terminations of agents; amending Minnesota Statutes 1988, sections 60A.172; and 72A.20, by adding a subdivision.

PATRICK E. FLAHAVEN, Secretary of the Senate

CONCURRENCE AND REPASSAGE

Carruthers moved that the House concur in the Senate amendments to H. F. No. 1354 and that the bill be repassed as amended by the Senate. The motion prevailed.

H. F. No. 1354, A bill for an act relating to insurance; regulating cancellations of insurance agency contracts; prohibiting insurance companies from terminating agents who contact the commerce department; amending Minnesota Statutes 1988, sections 60A.172; and 72A.20, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapter 60A.

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

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

Those who voted in the affirmative were:

Abrams	Carlson, L.	Gruenes	Johnson, R.	Marsh
Anderson, G.	Carruthers	Gutknecht	Johnson, V.	McDonald
Anderson, R.	Clark	Hartle	Kahn	McEachern
Battaglia	Conway	Hasskamp	Kalis	McGuire
Bauerly	Cooper	Haukoos	Kelly	McLaughlin
Beard	Dauner	Heap	Kelso	McPherson
Begich	Dawkins	Henry	Kinkel	Milbert
Bennett	Dempsey	Himle	Knickerbocker	Miller
Bertram	Dille	Hugoson	Kostohryz	Morrison
Bishop	Dorn	Jacobs	Krueger	Munger
Blatz	Forsythe	Janezich	Lasley	Murphy
Boo	Frederick	Jaros	Lieder	Nelson, K.
Brown	Frerichs	Jefferson	Limmer	Neuenschwander
Burger	Girard	Jennings	Long	O'Connor
Carlson, D.	Greenfield	Johnson, A.	Macklin	Ogren

Olsen, S.	Pellow	Rodosovich	Stanius	Waltman
Olson, E.	Pelowski	Rukavina	Steensma	Weaver
Olson, K.	Peterson	Runbeck	Sviggum	Welle
Omann	Poppenhagen	Sarna	Swenson	Wenzel
Onnen	Price	Schafer	Tjornhom	Williams
Orenstein	Pugh	Scheid	Tompkins	Winter
Osthoff	Quinn	Schreiber	Trimble	Wynia
Ostrom	Redalen	Seaberg	Tunheim	Spk. Vanasek
Otis	Reding	Simoneau	Uphus	
Ozment	Rest	Skoglund	Valento	
Pappas	Rice	Solberg	Vellenga	
Pauly	Richter	Sparby	Wagenius	

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. 186, A bill for an act relating to employment; protective agents; prohibiting employers to hire as a protective agent a person convicted of certain crimes; disqualifying persons convicted of criminal sexual conduct from holding a license to operate a private detective or protective agent service; amending Minnesota Statutes 1988, sections 326.32, by adding subdivisions; 326.336, subdivision 1; 326.3381, subdivision 3, and by adding a subdivision; 326.3384, subdivision 1; and 364.09.

PATRICK E. FLAHAVEN, Secretary of the Senate

CONCURRENCE AND REPASSAGE

Carruthers moved that the House concur in the Senate amendments to H. F. No. 186 and that the bill be repassed as amended by the Senate. The motion prevailed.

H. F. No. 186, A bill for an act relating to employment; protective agents; prohibiting employers to hire as a protective agent a person convicted of certain crimes; disqualifying persons convicted of criminal sexual conduct from holding a license to operate a private detective or protective agent service; prohibiting the use of armed protective agents in connection with labor disputes in certain circumstances; amending Minnesota Statutes 1988, sections 326.32, by adding subdivisions; 326.336, subdivision 1; 326.3381, subdivision 3, and by adding a subdivision; 326.3384, subdivision 2, and by adding a subdivision; and 364.09.

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 118 yeas and 9 nays as follows:

Those who voted in the affirmative were:

Abrams	Dorn	Krueger	Orenstein	Skoglund
Anderson, G.	Forsythe	Lasley	Ostrom	Solberg
Anderson, R.	Frederick	Lieder	Otis	Stanuis
Battaglia	Greenfield	Limmer	Ozment	Steensma
Bauerly	Gruenes	Long	Pappas	Sviggum
Beard	Hartle	Macklin	Pauly	Swenson
Begich	Hasskamp	Marsh	Pellow	Tjornhom
Bennett	Heap	McEachern	Pelowski	Tompkins
Bertram	Henry	McGuire	Peterson	Trimble
Bishop	Jacobs	McLaughlin	Poppenhagen	Tunheim
Blatz	Janezich	McPherson	Price	Uphus
Boo	Jaros	Milbert	Pugh	Valento
Brown	Jefferson	Morrison	Quinn	Vellenga
Burger	Jennings	Munger	Reding	Wagenius
Carlson, D.	Johnson, A.	Murphy	Rest	Waltman
Carlson, L.	Johnson, R.	Nelson, K.	Rice	Weaver
Carruthers	Johnson, V.	Neuenschwander	Rodosovich	Welle
Clark	Kahn	O'Connor	Rukavina	Wenzel
Conway	Kalis	Ogren	Runbeck	Williams
Cooper	Kelly	Olsen, S.	Sarna	Winter
Dauner	Kelso	Olsen, E.	Scheid	Wynia
Dawkins	Kinkel	Olson, K.	Schreiber	Spk. Vanasek
Dempsey	Knickerbocker	Omann	Seaberg	
Dille	Kostohryz	Onnen	Simoneau	

Those who voted in the negative were:

Frerichs	Gutknecht	Hugoson	Miller	Schafer
Girard	Haukoos	McDonald	Richter	

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. 1574, A bill for an act relating to corporations; providing that the control share acquisition and business combination statutes apply to certain corporations unless they elect not to be covered; clarifying application of the statutes; reducing the period of time that business combinations may be regulated from five years to four years; eliminating procedures for the use of committees to determine whether a corporation should pursue certain legal remedies; providing that meeting notices do not have to be sent to shareholders when mail has been returned undeliverable; amending Minnesota Statutes 1988, sections 302A.011, subdivisions 41 and 49; 302A.111,

subdivision 3; 302A.161, subdivision 17; 302A.241, subdivision 1; 302A.251, subdivision 2; 302A.435, subdivision 1; 302A.671, subdivision 1; and 302A.673, subdivisions 1 and 3; repealing Minnesota Statutes 1988, section 302A.243.

PATRICK E. FLAHAVEN, Secretary of the Senate

CONCURRENCE AND REPASSAGE

Simoneau moved that the House concur in the Senate amendments to H. F. No. 1574 and that the bill be repassed as amended by the Senate. The motion prevailed.

H. F. No. 1574, A bill for an act relating to corporations; providing that the control share acquisition and business combination statutes apply to certain corporations unless they elect not to be covered; clarifying application of the statutes; reducing the period of time that business combinations may be regulated from five years to four years; eliminating procedures for the use of committees to determine whether a corporation should pursue certain legal remedies; providing that meeting notices do not have to be sent to shareholders when mail has been returned undeliverable; amending Minnesota Statutes 1988, sections 302A.011, subdivisions 41 and 49; 302A.111, subdivision 3; 302A.161, subdivision 17; 302A.241, subdivision 1; 302A.251, subdivision 2; 302A.435, subdivision 1; 302A.671, subdivision 1; and 302A.673, subdivisions 1 and 3; repealing Minnesota Statutes 1988, section 302A.243.

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.

Pursuant to rule 2.5, Weaver requested that he be excused from voting on H. F. No. 1574, as amended by the Senate. The request was granted.

There were 111 yeas and 18 nays as follows:

Those who voted in the affirmative were:

Anderson, G.	Brown	Dauner	Gruenes	Jaros
Anderson, R.	Burger	Dawkins	Hartle	Jefferson
Battaglia	Carlson, D.	Dempsey	Hasskamp	Jennings
Bauerly	Carlson, L.	Dorn	Heap	Johnson, A.
Beard	Carruthers	Forsythe	Henry	Johnson, R.
Begich	Clark	Frederick	Hugoson	Johnson, V.
Bennett	Conway	Girard	Jacobs	Kahn
Bertram	Cooper	Greenfield	Janezich	Kalis

Kelly	McLaughlin	Onnen	Reding	Sparby
Kelso	McPherson	Orenstein	Rest	Stanius
Kinkel	Milbert	Osthoff	Rice	Steensma
Knickerbocker	Morrison	Ostrom	Rodosovich	Trimble
Kostohryz	Munger	Otis	Rukavina	Tunheim
Krueger	Murphy	Ozment	Runbeck	Uphus
Lasley	Nelson, K.	Pappas	Sarna	Valento
Lieder	Neuenschwander	Pauly	Schafer	Vellenga
Limmer	O'Connor	Pellow	Scheid	Wagenius
Long	Ogren	Pelowski	Schreiber	Welle
Macklin	Olsen, S.	Peterson	Seaberg	Wenzel
Marsh	Olson, E.	Price	Simoneau	Williams
McEachern	Olson, K.	Pugh	Skoglund	Winter
McGuire	Omann	Quinn	Solberg	Wynia
				Spk. Vanasek

Those who voted in the negative were:

Abrams	Frerichs	McDonald	Richter	Tompkins
Blatz	Gutknecht	Miller	Sviggum	Waltman
Boo	Haukoos	Poppenhagen	Swenson	
Dille	Himle	Redalen	Tjornhom	

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. 456, A bill for an act relating to human rights; allowing results of job evaluation systems as evidence in discrimination actions; amending Minnesota Statutes 1988, sections 43A.05, by adding a subdivision; and 471.997.

PATRICK E. FLAHAVEN, Secretary of the Senate

Williams moved that the House concur in the Senate amendments to H. F. No. 456 and that the bill be repassed as amended by the Senate.

Schreiber moved that the House refuse to concur in the Senate amendments to H. F. No. 456, that the Speaker appoint a Conference Committee of 3 members of the House, and that the House requests that a like committee be appointed by the Senate to confer on the disagreeing votes of the two houses.

A roll call was requested and properly seconded.

The question was taken on the Schreiber motion and the roll was called. There were 62 yeas and 65 nays as follows:

Those who voted in the affirmative were:

Abrams	Frichs	Knickerbocker	Ostrom	Sparby
Anderson, R.	Girard	Lasley	Ozment	Stanisus
Bauerly	Gruenes	Limmer	Pauly	Swiggum
Bennett	Gutknecht	Macklin	Pellow	Swenson
Blatz	Hartle	Marsh	Pelowski	Tjornhom
Boo	Hasskamp	McDonald	Poppenhagen	Tompkins
Burger	Haukoos	McPherson	Redalen	Uphus
Carlson, D.	Heap	Miller	Richter	Valento
Dempsey	Henry	Morrison	Runbeck	Waltman
Dille	Himle	Olsen, S.	Schafer	Weaver
Dorn	Hugoson	Omann	Schreiber	
Forsythe	Johnson, V.	Onnen	Seaberg	
Frederick	Kinkel	Osthoff	Solberg	

Those who voted in the negative were:

Anderson, G.	Jacobs	Long	Orenstein	Scheid
Battaglia	Janezich	McEachern	Otis	Simoneau
Beard	Jaros	McGuire	Pappas	Skoglund
Begich	Jennings	McLaughlin	Peterson	Steensma
Bertram	Johnson, A.	Milbert	Price	Trimble
Brown	Johnson, R.	Munger	Pugh	Tunheim
Carlson, L.	Kahn	Murphy	Quinn	Vellenga
Clark	Kalis	Nelson, K.	Quinn	Vellenga
Conway	Kelly	Neutenschwander	Rest	Wagenius
Cooper	Kelso	O'Connor	Rice	Wenzel
Dauner	Kostohryz	Ogren	Rodosovich	Williams
Dawkins	Krueger	Olson, E.	Rukavina	Winter
Greenfield	Lieder	Olson, K.	Sarna	Wynia
				Spk. Vanasek

The motion did not prevail.

The question recurred on the Williams motion that the House concur in the Senate amendments to H. F. No. 456 and that the bill be repassed as amended by the Senate. The motion did not prevail.

Williams moved that the House refuse to concur in the Senate amendments to H. F. No. 456, that the Speaker appoint a Conference Committee of 3 members of the House, and that the House requests that a like committee be appointed by the Senate to confer on the disagreeing votes of the two houses. The motion prevailed.

Mr. Speaker:

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

H. F. No. 1581, A bill for an act relating to commerce; securities regulation; exempting certain over-the-counter securities from registration requirements; amending Minnesota Statutes 1988, section

80A.15, subdivision 1.

PATRICK E. FLAHAVEN, Secretary of the Senate

CONCURRENCE AND REPASSAGE

Scheid moved that the House concur in the Senate amendments to H. F. No. 1581 and that the bill be repassed as amended by the Senate. The motion prevailed.

H. F. No. 1581, A bill for an act relating to commerce; securities regulation; exempting certain over-the-counter securities from registration requirements; amending Minnesota Statutes 1988, section 80A.15, subdivision 1.

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

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

Those who voted in the affirmative were:

Abrams	Frerichs	Kostohryz	Orenstein	Simoneau
Anderson, G.	Girard	Krueger	Osthoff	Skoglund
Anderson, R.	Greenfield	Lasley	Ostrom	Solberg
Battaglia	Gruenes	Lieder	Otis	Sparby
Bauerly	Gutknecht	Limmer	Ozment	Stanius
Beard	Hartle	Long	Pappas	Steensma
Begich	Hasskamp	Macklin	Pauly	Sviggum
Bennett	Haukoos	Marsh	Pellow	Swenson
Bertram	Heap	McDonald	Pelowski	Tjornhom
Bishop	Henry	McEachern	Peterson	Tompkins
Blatz	Himle	McGuire	Poppenhagen	Trimble
Boo	Hugoson	McLaughlin	Price	Tunheim
Brown	Jacobs	McPherson	Pugh	Uphus
Burger	Janezich	Milbert	Quinn	Valento
Carlson, D.	Jaros	Miller	Redalen	Vellenga
Carlson, L.	Jefferson	Morrison	Reding	Wagenius
Carruthers	Jennings	Munger	Rest	Waltman
Clark	Johnson, A.	Murphy	Rice	Weaver
Conway	Johnson, R.	Nelson, K.	Richter	Welle
Cooper	Johnson, V.	O'Connor	Rodosovich	Wenzel
Dauner	Kahn	Ogren	Rukavina	Williams
Dawkins	Kalis	Olsen, S.	Runbeck	Winter
Dille	Kelly	Olson, E.	Sarna	Wynia
Dorn	Kelso	Olson, K.	Schafer	Spk. Vanasek
Forsythe	Kinkel	Omann	Scheid	
Frederick	Knickerbocker	Onnen	Seaberg	

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. 1447, A bill for an act relating to motor vehicles; defining the effect of certain leases; amending Minnesota Statutes 1988, section 168A.17, by adding a subdivision.

PATRICK E. FLAHAVER, Secretary of the Senate

CONCURRENCE AND REPASSAGE

Scheid moved that the House concur in the Senate amendments to H. F. No. 1447 and that the bill be repassed as amended by the Senate. The motion prevailed.

H. F. No. 1447, A bill for an act relating to motor vehicles; defining the effect of certain leases; amending Minnesota Statutes 1988, section 168A.17; by adding a subdivision.

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

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

Those who voted in the affirmative were:

Abrams	Dorn	Kalis	Neuenschwander	Rest
Anderson, G.	Forsythe	Kelly	O'Connor	Rice
Anderson, R.	Frederick	Kelso	Ogren	Richter
Battaglia	Frerichs	Kinkel	Olsen, S.	Rodosovich
Bauerly	Girard	Knickerbocker	Olsen, E.	Rukavina
Beard	Greenfield	Kostohryz	Olson, K.	Runbeck
Begich	Gruenes	Krueger	Omann	Sarna
Bennett	Gutknecht	Lasley	Onnen	Schafer
Bertram	Hartle	Lieder	Orenstein	Scheid
Bishop	Hasskamp	Limmer	Osthoff	Schreiber
Blatz	Haukoos	Long	Ostrom	Seaberg
Boo	Heap	Macklin	Otis	Simoneau
Brown	Henry	Marsh	Ozment	Skoglund
Burger	Himle	McDonald	Pappas	Solberg
Carlson, D.	Hugoson	McEachern	Pauly	Sparby
Carlson, L.	Jacobs	McGuire	Pellow	Stanius
Carruthers	Janezich	McLaughlin	Pelowski	Steensma
Clark	Jaros	McPherson	Peterson	Sviggum
Conway	Jefferson	Milbert	Poppenhagen	Swenson
Cooper	Jennings	Miller	Price	Tjornhom
Dauner	Johnson, A.	Morrison	Pugh	Tompkins
Dawkins	Johnson, R.	Munger	Quinn	Trimble
Dempsey	Johnson, V.	Murphy	Redalen	Tunheim
Dille	Kahn	Nelson, K.	Reding	Uphus

Valento
Vellenga
Wagenius

Waltman
Weaver
Welle

Wenzel
Williams
Winter

Wynia
Spk. Vanasek

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

Mr. Speaker:

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

H. F. No. 444, A bill for an act relating to data privacy; providing for access to private medical examiner data and other medical data by family members; amending Minnesota Statutes 1988, sections 13.42, subdivision 3; 13.83, subdivision 8; and 144.335, subdivision 1.

PATRICK E. FLAHAVEN, Secretary of the Senate

CONCURRENCE AND REPASSAGE

Weaver moved that the House concur in the Senate amendments to H. F. No. 444 and that the bill be repassed as amended by the Senate. The motion prevailed.

H. F. No. 444, A bill for an act relating to data privacy; providing for access to private medical examiner data and other medical data by family members; amending Minnesota Statutes 1988, sections 13.42, subdivision 3; 13.83, subdivision 8; and 144.335, subdivision 1.

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

The question was taken on the repassage of the bill and the roll was called. There were 129 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Abrams
Anderson, G.
Anderson, R.
Bauerly
Beard
Bennett
Bertram
Bishop
Blatz
Boo

Brown
Burger
Carlson, D.
Carlson, L.
Carruthers
Clark
Conway
Cooper
Dauner
Dawkins

Dempsey
Dille
Dorn
Forsythe
Frederick
Frerichs
Girard
Greenfield
Gruenes
Gutknecht

Hartle
Hasskamp
Haukoos
Heap
Henry
Himle
Hugoson
Jacobs
Janezich
Jaros

Jefferson
Jennings
Johnson, A.
Johnson, R.
Johnson, V.
Kahn
Kalis
Kelly
Kelso
Kinkel

Knickerbocker	Morrison	Ozment	Rukavina	Tompkins
Kostohryz	Munger	Pappas	Runbeck	Trimble
Krueger	Murphy	Pauly	Sarna	Tunheim
Lasley	Nelson, K.	Pellow	Schafer	Uphus
Lieder	Neuenschwander	Pelowski	Scheid	Valento
Limmer	O'Connor	Peterson	Schreiber	Vellenga
Long	Ogren	Poppenhagen	Seaberg	Wagenius
Macklin	Olsen, S.	Price	Simoneau	Waltman
Marsh	Olson, E.	Pugh	Skoglund	Weaver
McDonald	Olson, K.	Quinn	Solberg	Welle
McEachern	Omann	Redalen	Sparby	Wenzel
McGuire	Onnen	Reding	Stanius	Williams
McLaughlin	Orenstein	Rest	Steensma	Winter
McPherson	Osthoff	Rice	Svigum	Wynia
Milbert	Ostrom	Richter	Swenson	Spk. Vanasek
Miller	Otis	Rodosovich	Tjornhom	

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. 1207, A bill for an act relating to counties; providing conditions for the disposition of county property; amending Minnesota Statutes 1988, section 373.01, subdivision 1.

PATRICK E. FLAHAVEN, Secretary of the Senate

CONCURRENCE AND REPASSAGE

Morrison moved that the House concur in the Senate amendments to H. F. No. 1207 and that the bill be repassed as amended by the Senate. The motion prevailed.

H. F. No. 1207, A bill for an act relating to counties; allowing county boards to set sheriff's fees; providing conditions for the disposition of county property; amending Minnesota Statutes 1988, sections 357.09; and 373.01, subdivision 1.

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

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

Those who voted in the affirmative were:

Abrams Anderson, G. Anderson, R. Battaglia Bauerly

Beard	Gruenes	Lasley	Orenstein	Schreiber
Begich	Gutknecht	Lieder	Osthoff	Seaberg
Bennett	Hartle	Limmer	Ostrom	Simoneau
Bertram	Hasskamp	Long	Otis	Skoglund
Bishop	Haukoos	Macklin	Ozment	Solberg
Blatz	Heap	Marsh	Pappas	Sparby
Boo	Henry	McDonald	Pauly	Stanus
Brown	Himle	McEachern	Pellow	Steensma
Burger	Hugoson	McGuire	Pelowski	Sviggum
Carlson, D.	Jacobs	McLaughlin	Peterson	Swenson
Carlson, L.	Janezich	McPherson	Poppenhagen	Tjornhom
Carruthers	Jaros	Milbert	Price	Tompkins
Clark	Jefferson	Miller	Pugh	Trimble
Conway	Jennings	Morrison	Quinn	Tunheim
Cooper	Johnson, A.	Munger	Redalen	Uphus
Dauner	Johnson, R.	Murphy	Reding	Valento
Dawkins	Johnson, V.	Nelson, K.	Rest	Vellenga
Dempsey	Kahn	Neuenschwander	Rice	Wagenius
Dille	Kalis	O'Connor	Richter	Waltman
Dorn	Kelly	Ogren	Rodosovich	Weaver
Forsythe	Kelso	Olsen, S.	Rukavina	Welle
Frederick	Kinkel	Olson, E.	Runbeck	Wenzel
Frerichs	Knickerbocker	Olson, K.	Sarna	Williams
Girard	Kostohryz	Omann	Schafer	Winter
Greenfield	Krueger	Onnen	Scheid	Wynia
				Spk. Vanasek

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

Mr. Speaker:

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

H. F. No. 731, A bill for an act relating to data practices; providing for classification of law enforcement data on child abuse; amending Minnesota Statutes 1988, sections 13.82, by adding a subdivision; and 626.556, subdivisions 11 and 11c.

PATRICK E. FLAHAVEN, Secretary of the Senate

CONCURRENCE AND REPASSAGE

Blatz moved that the House concur in the Senate amendments to H. F. No. 731 and that the bill be repassed as amended by the Senate. The motion prevailed.

H. F. No. 731, A bill for an act relating to data practices; providing for classification of law enforcement data on child abuse; amending Minnesota Statutes 1988, sections 13.82, by adding a subdivision; and 626.556, subdivisions 11 and 11c.

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

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

Those who voted in the affirmative were:

Abrams	Frederick	Knickerbocker	Omann	Scheid
Anderson, G.	Frerichs	Kostohryz	Onnen	Schreiber
Anderson, R.	Girard	Krueger	Orenstein	Seaberg
Battaglia	Greenfield	Lasley	Osthoff	Simoneau
Bauerly	Gruenes	Lieder	Ostrom	Skoglund
Beard	Gutknecht	Limmer	Otis	Solberg
Begich	Hartle	Long	Ozment	Sparby
Bennett	Hasskamp	Macklin	Pappas	Stanius
Bertram	Haukoos	Marsh	Pauly	Steensma
Bishop	Heap	McDonald	Pellow	Sviggum
Blatz	Henry	McEachern	Pelowski	Swenson
Boo	Himle	McGuire	Peterson	Tjornhom
Brown	Hugoson	McLaughlin	Poppenhagen	Tompkins
Burger	Jacobs	McPherson	Price	Trimble
Carlson, D.	Janezich	Milbert	Pugh	Tunheim
Carlson, L.	Jaros	Miller	Quinn	Uphus
Carruthers	Jefferson	Morrison	Redalen	Valento
Clark	Jennings	Munger	Reding	Vellenga
Conway	Johnson, A.	Murphy	Rest	Wagenius
Cooper	Johnson, R.	Nelson, K.	Rice	Waltman
Dauner	Johnson, V.	Neuenschwander	Richter	Weaver
Dawkins	Kahn	O'Connor	Rodosovich	Welle
Dempsey	Kalis	Ogren	Rukavina	Wenzel
Dille	Kelly	Olsen, S.	Runbeck	Williams
Dorn	Kelso	Olson, E.	Sarna	Winter
Forsythe	Kinkel	Olson, K.	Schafer	Wynia
				Spk. Vanasek

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

Mr. Speaker:

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

H. F. No. 1338, A bill for an act relating to motor vehicles; restricting access to registration information concerning passenger automobile lessees; amending Minnesota Statutes 1988, section 168.345.

PATRICK E. FLAHAVEN, Secretary of the Senate

CONCURRENCE AND REPASSAGE

Conway moved that the House concur in the Senate amendments

to H. F. No. 1338 and that the bill be repassed as amended by the Senate. The motion prevailed.

H. F. No. 1338, A bill for an act relating to motor vehicles; restricting access to registration information concerning passenger automobile lessees; amending Minnesota Statutes 1988, section 168.345.

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

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

Those who voted in the affirmative were:

Abrams	Frederick	Knickerbocker	Omann	Scheid
Anderson, G.	Frerichs	Kostohryz	Onnen	Schreiber
Anderson, R.	Girard	Krueger	Orenstein	Seaberg
Battaglia	Greenfield	Lasley	Osthoff	Simoneau
Bauerly	Gruenes	Lieder	Ostrom	Skoglund
Beard	Gutknecht	Limmer	Otis	Solberg
Begich	Hartle	Long	Ozment	Sparby
Bennett	Hasskamp	Macklin	Pappas	Stanius
Bertram	Haukoos	Marsh	Pauly	Steensma
Bishop	Heap	McDonald	Pellow	Sviggum
Blatz	Henry	McEachern	Pelowski	Swenson
Boo	Himle	McGuire	Peterson	Tjornhom
Brown	Hugoson	McLaughlin	Poppenhagen	Tompkins
Burger	Jacobs	McPherson	Price	Trimble
Carlson, D.	Janezich	Milbert	Pugh	Tunheim
Carlson, L.	Jaros	Miller	Quinn	Uphus
Carruthers	Jefferson	Morrison	Redalen	Valento
Clark	Jennings	Munger	Reding	Vellenga
Conway	Johnson, A.	Murphy	Rest	Wagenius
Cooper	Johnson, R.	Nelson, K.	Rice	Waltman
Dauner	Johnson, V.	Neuenschwander	Richter	Weaver
Dawkins	Kahn	O'Connor	Rodosovich	Welle
Dempsey	Kalis	Ogren	Rukavina	Wenzel
Dille	Kelly	Olsen, S.	Runbeck	Williams
Dorn	Kelso	Olson, E.	Sarna	Winter
Forsythe	Kinkel	Olson, K.	Schafer	Wynia
				Spk. Vanasek

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

Mr. Speaker:

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

H. F. No. 578, A bill for an act relating to transportation; granting power to road authorities to mow or till rights-of-way of certain

highways; amending Minnesota Statutes 1988, sections 160.232; and 160.27, subdivision 5.

PATRICK E. FLAHAVEN, Secretary of the Senate

CONCURRENCE AND REPASSAGE

Lieder moved that the House concur in the Senate amendments to H. F. No. 578 and that the bill be repassed as amended by the Senate. The motion prevailed.

H. F. No. 578, A bill for an act relating to transportation; authorizing road authorities to mow or till rights-of-way of certain highways by ordinance; amending Minnesota Statutes 1988, sections 160.232; and 160.27, subdivision 5.

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

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

Those who voted in the affirmative were:

Abrams	Frederick	Knickerbocker	Omam	Scheid
Anderson, G.	Frerichs	Kostohryz	Onnen	Schreiber
Anderson, R.	Girard	Krueger	Orenstein	Seaberg
Battaglia	Greenfield	Lasley	Osthoff	Simoneau
Bauerly	Gruenes	Lieder	Ostrom	Skoglund
Beard	Gutknecht	Limmer	Otis	Solberg
Begich	Hartle	Long	Ozment	Sparby
Bennett	Hasskamp	Macklin	Pappas	Stanius
Bertram	Haukoos	Marsh	Pauly	Steensma
Bishop	Heap	McDonald	Pellow	Sviggum
Blatz	Henry	McEachern	Pelowski	Swenson
Boo	Himle	McGuire	Peterson	Tjornhom
Brown	Hugoson	McLaughlin	Poppenhagen	Tompkins
Burger	Jacobs	McPherson	Price	Trimble
Carlson, D.	Janezich	Milbert	Pugh	Tunheim
Carlson, L.	Jaros	Miller	Quinn	Uphus
Carruthers	Jefferson	Morrison	Redalen	Valento
Clark	Jennings	Munger	Reding	Vellenga
Conway	Johnson, A.	Murphy	Rest	Wagenius
Cooper	Johnson, R.	Nelson, K.	Rice	Waltman
Dauner	Johnson, V.	Neuenschwander	Richter	Weaver
Dawkins	Kahn	O'Connor	Rodosovich	Welle
Dempsey	Kalis	Ogren	Rukavina	Wenzel
Dille	Kelly	Olsen, S.	Runbeck	Williams
Dorn	Kelso	Olson, E.	Sarna	Winter
Forsythe	Kinkel	Olson, K.	Schafer	Wynia
				Spk. Vanasek

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

Mr. Speaker:

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

H. F. No. 33, A bill for an act relating to town roads; permitting town ordinances to regulate the burning of vegetation; amending Minnesota Statutes 1988, section 164.02, subdivision 1.

PATRICK E. FLAHAVEN, Secretary of the Senate

CONCURRENCE AND REPASSAGE

Lieder moved that the House concur in the Senate amendments to H. F. No. 33 and that the bill be repassed as amended by the Senate. The motion prevailed.

H. F. No. 33, A bill for an act relating to town roads; permitting town ordinances to regulate the burning of vegetation; amending Minnesota Statutes 1988, section 164.02, subdivision 1.

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

The question was taken on the repassage of the bill and the roll was called. There were 129 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Abrams	Dorn	Kelly	O'Connor	Richter
Anderson, G.	Forsythe	Kelso	Ogren	Rodosovich
Anderson, R.	Frerichs	Kinkel	Olsen, S.	Rukavina
Battaglia	Girard	Knickerbocker	Olson, E.	Runbeck
Bauerly	Greenfield	Kostohryz	Olson, K.	Sarna
Beard	Gruenes	Krueger	Omann	Schafer
Begich	Gutknecht	Lasley	Orenstein	Scheid
Bennett	Hartle	Lieder	Osthoff	Schreiber
Bertram	Hasskamp	Limmer	Ostrom	Seaberg
Bishop	Haukoos	Long	Otis	Simoneau
Blatz	Heap	Macklin	Ozment	Skoglund
Boo	Henry	Marsh	Pappas	Solberg
Brown	Himle	McDonald	Pauly	Sparby
Burger	Hugoson	McEachern	Pellow	Stanius
Carlson, D.	Jacobs	McGuire	Pelowski	Steensma
Carlson, L.	Janezich	McLaughlin	Peterson	Sviggum
Carruthers	Jaros	McPherson	Poppenhagen	Swenson
Clark	Jefferson	Milbert	Price	Tjornhom
Conway	Jennings	Miller	Pugh	Tompkins
Cooper	Johnson, A.	Morrison	Quinn	Trimble
Dauner	Johnson, R.	Munger	Redalen	Tunheim
Dawkins	Johnson, V.	Murphy	Reding	Uphus
Dempsey	Kahn	Nelson, K.	Rest	Valento
Dille	Kalis	Neuenschwander	Rice	Vellenga

Wagenius
WaltmanWeaver
WelleWenzel
WilliamsWinter
Wynia

Spk. Vanasek

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

Mr. Speaker:

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

H. F. No. 278, A bill for an act relating to highways; changing specific service signs to tourist-oriented directional signs; including certain types of businesses as tourist-oriented businesses; amending Minnesota Statutes 1988, section 160.292, subdivisions 2, 3, 4, and 10; 160.293; 160.294; 160.295; and 160.296.

PATRICK E. FLAHAVER, Secretary of the Senate

CONCURRENCE AND REPASSAGE

Battaglia moved that the House concur in the Senate amendments to H. F. No. 278 and that the bill be repassed as amended by the Senate. The motion prevailed.

H. F. No. 278, A bill for an act relating to highways; expanding definition of specific service signs to cover tourist-oriented businesses; amending Minnesota Statutes 1988, section 160.292, subdivisions 2 and 10; 160.293, subdivision 3; and 160.295, subdivision 5.

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

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

Those who voted in the affirmative were:

Abrams	Brown	Dorn	Henry	Kalis
Anderson, G.	Burger	Forsythe	Himle	Kelly
Anderson, R.	Carlson, D.	Frederick	Hugoson	Kelso
Battaglia	Carlson, L.	Frerichs	Jacobs	Kinkel
Bauerly	Carruthers	Girard	Janezich	Knickerbocker
Beard	Clark	Greenfield	Jaros	Kostohryz
Begich	Conway	Gruenes	Jefferson	Krueger
Bennett	Cooper	Gutknecht	Jennings	Lasley
Bertram	Dauner	Hartle	Johnson, A.	Lieder
Bishop	Dawkins	Hasskamp	Johnson, R.	Limmer
Blatz	Dempsey	Haukoos	Johnson, V.	Long
Boo	Dille	Heap	Kahn	Macklin

Marsh	Ogren	Pelowski	Sarna	Tompkins
McDonald	Olsen, S.	Peterson	Schafer	Trimble
McEachern	Olson, E.	Poppenhagen	Scheid	Tunheim
McGuire	Olson, K.	Price	Schreiber	Uphus
McLaughlin	Omann	Pugh	Seaberg	Valento
McPherson	Onnen	Quinn	Simoneau	Vellenga
Milbert	Orenstein	Redalen	Skoglund	Wagenius
Miller	Osthoff	Reding	Solberg	Waltman
Morrison	Ostrom	Rest	Sparby	Weaver
Munger	Otis	Rice	Stanius	Welle
Murphy	Ozment	Richter	Steensma	Wenzel
Nelson, K.	Pappas	Rodosovich	Sviggum	Williams
Neuenschwander	Pauly	Rukavina	Swenson	Winter
O'Connor	Pellow	Runbeck	Tjornhom	Wynia
				Spk. Vanasek

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

Mr. Speaker:

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

H. F. No. 343, A bill for an act relating to collection and dissemination of data; defining certain mineral data supplied to the commissioner of natural resources as nonpublic data; proposing coding for new law in Minnesota Statutes, chapter 13.

PATRICK E. FLAHAVEN, Secretary of the Senate

CONCURRENCE AND REPASSAGE

Rukavina moved that the House concur in the Senate amendments to H. F. No. 343 and that the bill be repassed as amended by the Senate. The motion prevailed.

H. F. No. 343, A bill for an act relating to collection and dissemination of data; defining certain mineral data supplied to the commissioner of natural resources as nonpublic data; proposing coding for new law in Minnesota Statutes, chapter 13.

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

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

Those who voted in the affirmative were:

Abrams Anderson, G. Anderson, R. Battaglia Bauerly

Beard	Gruenes	Lasley	Orenstein	Schreiber
Begich	Gutknecht	Lieder	Osthoff	Seaberg
Bennett	Hartle	Limmer	Ostrom	Simoneau
Bertram	Hasskamp	Long	Otis	Skoglund
Bishop	Haukoos	Macklin	Ozment	Solberg
Blatz	Heap	Marsh	Pappas	Stanius
Boo	Henry	McDonald	Pauly	Steensma
Brown	Himle	McEachern	Pellow	Sviggum
Burger	Hugoson	McGuire	Pelowski	Swenson
Carlson, D.	Jacobs	McLaughlin	Peterson	Tjornhom
Carlson, L.	Janezich	McPherson	Poppenhagen	Tompkins
Carruthers	Jaros	Milbert	Price	Trimble
Clark	Jefferson	Miller	Pugh	Tunheim
Conway	Jennings	Morrison	Quinn	Uphus
Cooper	Johnson, A.	Munger	Redalen	Valento
Dauner	Johnson, R.	Murphy	Reding	Vellenga
Dawkins	Johnson, V.	Nelson, K.	Rest	Wagenius
Dempsey	Kahn	Neuenschwander	Rice	Waltman
Dille	Kalis	O'Connor	Richter	Weaver
Dorn	Kelly	Ogren	Rodosovich	Welle
Forsythe	Kelso	Olsen, S.	Rukavina	Wenzel
Frederick	Kinkel	Olson, E.	Runbeck	Williams
Frerichs	Knickerbocker	Olson, K.	Sarna	Winter
Girard	Kostohryz	Omman	Schafer	Wynia
Greenfield	Krueger	Onnen	Scheid	Spk. Vanasek

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

Mr. Speaker:

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

H. F. No. 400, A bill for an act relating to natural resources; requiring written notice to the commissioner of natural resources of the vacation of roads, highways, streets, alleys, and similar public grounds that terminate at or abut upon any public water; amending Minnesota Statutes 1988, sections 161.16, subdivision 6; 163.11, by adding a subdivision; 164.07, subdivision 2; 412.851; 440.13; 440.135, subdivision 2; and 505.14.

PATRICK E. FLAHAVEN, Secretary of the Senate

CONCURRENCE AND REPASSAGE

Wagenius moved that the House concur in the Senate amendments to H. F. No. 400 and that the bill be repassed as amended by the Senate. The motion prevailed.

H. F. No. 400, A bill for an act relating to natural resources; requiring written notice to the commissioner of natural resources of the vacation of roads, highways, streets, alleys, and similar public grounds that terminate at or abut upon any public water; amending

Minnesota Statutes 1988, sections 161.16, subdivision 6; 163.11, by adding a subdivision; 164.07, subdivision 2; 412.851; 440.13; 440.135, subdivision 2; and 505.14.

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

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

Those who voted in the affirmative were:

Abrams	Frederick	Kostohryz	Onnen	Schreiber
Anderson, G.	Frerichs	Krueger	Orenstein	Seaberg
Anderson, R.	Girard	Lasley	Osthoff	Simoneau
Battaglia	Greenfield	Lieder	Ostrom	Skoglund
Bauerly	Gruenes	Limmer	Otis	Solberg
Beard	Gutknecht	Long	Ozment	Sparby
Begich	Hasskamp	Macklin	Pappas	Stanius
Bennett	Haukoos	Marsh	Pauly	Steensma
Bertram	Heap	McDonald	Pellow	Sviggum
Bishop	Henry	McEachern	Pelowski	Swenson
Blatz	Himle	McGuire	Peterson	Tjornhom
Boo	Hugoson	McLaughlin	Poppenhagen	Tompkins
Brown	Jacobs	McPherson	Price	Trimble
Burger	Janezich	Milbert	Pugh	Tunheim
Carlson, D.	Jaros	Miller	Quinn	Uphus
Carlson, L.	Jefferson	Morrison	Redalen	Valento
Carruthers	Jennings	Munger	Reding	Vellenga
Clark	Johnson, A.	Murphy	Rest	Wagenius
Conway	Johnson, R.	Nelson, K.	Rice	Waltman
Cooper	Johnson, V.	Neuenschwander	Richter	Weaver
Dauner	Kahn	O'Connor	Rodosovich	Welle
Dawkins	Kalis	Ogren	Rukavina	Wenzel
Dempsey	Kelly	Olsen, S.	Runbeck	Williams
Dille	Kelso	Olson, E.	Sarna	Winter
Dorn	Kinkel	Olson, K.	Schafer	Wynia
Forsythe	Knickerbocker	Omann	Scheid	Spk. Vanasek

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

Mr. Speaker:

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

H. F. No. 243, A bill for an act relating to the department of revenue; recodifying information and disclosure provisions to increase uniformity of treatment and comply with the data privacy act; amending Minnesota Statutes 1988, sections 60A.17, subdivision 20; 82.27, subdivision 7; 147.091, subdivision 7; 148.10, subdivision 5; 148B.06, subdivision 3; 150A.08, subdivision 9; 171.31; 176.186; 176.231, subdivision 9; 256.978; 270.052; 270.064; 270.66, subdivision 3; 270.72, subdivision 4; 270.73, subdivision 1; 270A.11;

290.081; 290.174; 290.371, subdivision 5; 290.50, subdivision 6; 290.523, subdivision 1; 290.91; 290.92, subdivisions 5a, 17, and 26; 290A.112, subdivision 1; 297A.07; 326.20, subdivision 4; and 469.173, subdivision 5; proposing coding for new law as Minnesota Statutes, chapter 270B; repealing Minnesota Statutes 1988, sections 13.70; 290.05, subdivision 7; 290.61; 290A.17; 291.48; and 297A.43.

PATRICK E. FLAHAVERN, Secretary of the Senate

CONCURRENCE AND REPASSAGE

Rest moved that the House concur in the Senate amendments to H. F. No. 243 and that the bill be repassed as amended by the Senate. The motion prevailed.

H. F. No. 243, A bill for an act relating to the department of revenue; recodifying information and disclosure provisions to increase uniformity of treatment and comply with the data privacy act; amending Minnesota Statutes 1988, sections 60A.17, subdivision 20; 82.27, subdivision 7; 147.091, subdivision 7; 148.10, subdivision 5; 148B.06, subdivision 3; 150A.08, subdivision 9; 171.31; 176.186; 176.231, subdivision 9; 256.978; 270.052; 270.064; 270.66, subdivision 3; 270.72, subdivision 4; 270.73, subdivision 1; 270A.11; 290.081; 290.174; 290.371, subdivision 5; 290.50, subdivision 6; 290.523, subdivision 1; 290.91; 290.92, subdivisions 5a, 17, and 26; 290A.112, subdivision 1; 297A.07; 326.20, subdivision 4; and 469.173, subdivision 5; proposing coding for new law as Minnesota Statutes, chapter 270B; repealing Minnesota Statutes 1988, sections 13.70; 290.05, subdivision 7; 290.61; 290A.17; 291.48; and 297A.43.

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

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

Those who voted in the affirmative were:

Abrams	Carlson, D.	Girard	Jefferson	Lieder
Anderson, G.	Carlson, L.	Greenfield	Jennings	Limmer
Anderson, R.	Carruthers	Gruenes	Johnson, A.	Long
Battaglia	Clark	Gutknecht	Johnson, R.	Macklin
Bauerly	Conway	Hartle	Johnson, V.	Marsh
Beard	Cooper	Hasskamp	Kahn	McDonald
Begich	Dauner	Haukoos	Kalis	McEachern
Bennett	Dawkins	Heap	Kelly	McGuire
Bertram	Dempsey	Henry	Kelso	McLaughlin
Bishop	Dille	Himle	Kinkel	McPherson
Blatz	Dorn	Hugoson	Knickerbocker	Milbert
Boo	Forsythe	Jacobs	Kostohryz	Miller
Brown	Frederick	Janezich	Krueger	Morrison
Burger	Frerichs	Jaros	Lasley	Munger

Murphy	Ostrom	Reding	Skoglund	Vellenga
Nelson, C.	Otis	Rest	Solberg	Wagenius
Nelson, K.	Ozment	Rice	Sparby	Waltman
Neuenschwander	Pappas	Richter	Stanius	Weaver
O'Connor	Pauly	Rodosovich	Steensma	Welle
Ogren	Pellow	Rukavina	Sviggum	Wenzel
Olsen, S.	Pelowski	Runbeck	Swenson	Williams
Olson, E.	Peterson	Sarna	Tjornhom	Winter
Olson, K.	Poppenhagen	Schafer	Tompkins	Wynia
Omann	Price	Scheid	Trimble	Spk. Vanasek
Onnen	Pugh	Schreiber	Tunheim	
Orenstein	Quinn	Seaberg	Uphus	
Osthoff	Redalen	Simoneau	Valento	

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 Senate Files, herewith transmitted:

S. F. Nos. 232, 353, 139 and 736.

PATRICK E. FLAHAVER, Secretary of the Senate

FIRST READING OF SENATE BILLS

S. F. No. 232, A bill for an act relating to corporations; providing for the simplification of certain filings made with the office of the secretary of state; changing the recipients of certain notices; modifying the definition of address to include zip codes; appropriating money; amending Minnesota Statutes 1988, sections 302A.011, subdivision 3; 302A.123, subdivision 1; 302A.821, subdivision 1; 303.02, subdivision 5; 303.10, subdivision 2; 303.13, subdivision 2; 303.14, subdivision 1; and 303.17, subdivision 4; proposing coding for new law in Minnesota Statutes, chapter 5.

The bill was read for the first time.

Milbert moved that S. F. No. 232 and H. F. No. 127, now on Technical General Orders, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 353, A bill for an act relating to commerce; regulating currency exchanges; requiring currency exchanges to be licensed by the commissioner of commerce; requiring charges to be reasonable; appropriating money; proposing coding for new law as Minnesota Statutes, chapter 53A.

The bill was read for the first time.

Jefferson moved that S. F. No. 353 and H. F. No. 357, now on Technical General Orders, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 139, A bill for an act relating to liquor; increasing age for provisional driver's license to 21 years; changing provisional licenses to "under-21" licenses; prohibiting the issuance of both a Minnesota identification card and a driver's license, other than an instruction permit, to the same person; providing for fees; providing for license suspension for minors misrepresenting their age for purposes of purchasing alcoholic beverages; providing penalty for misuse of Minnesota identification card; increasing the period for suspension of a drivers license for use of a license to illegally purchase alcohol; including other forms of identification and persons who lend identification; increasing the penalty for counterfeiting a drivers license or Minnesota identification card; prohibiting lending any form of identification for use by an underage person to purchase alcohol; clarifying the application of the carding defense for illegal sales; providing for transfer of confiscated identification; amending Minnesota Statutes 1988, sections 171.02, subdivisions 1 and 3; 171.06, subdivision 2; 171.07, subdivisions 1 and 3; 171.171; 171.22; 171.27; 260.195, subdivision 3; 340A.503, subdivisions 2 and 6; and 340A.801, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapter 340A.

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

S. F. No. 736, A bill for an act relating to claims against the state; providing for payment of various claims; appropriating money.

The bill was read for the first time.

Lieder moved that S. F. No. 736 and H. F. No. 785, now on Technical General Orders, be referred to the Chief Clerk for comparison. The motion prevailed.

ANNOUNCEMENTS BY THE SPEAKER

The Speaker announced the appointment of the following members of the House to a Conference Committee on H. F. No. 472:

Kalis, Morrison and Lasley.

The Speaker announced the appointment of the following members of the House to a Conference Committee on H. F. No. 654:

Nelson, K.; McEachern; Vellenga; Bauerly and Ozment.

The Speaker announced the appointment of the following members of the House to a Conference Committee on H. F. No. 700:

Greenfield, Jefferson and Bishop.

The Speaker announced the appointment of the following members of the House to a Conference Committee on H. F. No. 729:

Pappas, Kelly, Dempsey, Wagenius and Hasskamp.

The Speaker announced the appointment of the following members of the House to a Conference Committee on H. F. No. 831:

Kinkel; Johnson, R., and Gruenes.

The Speaker announced the appointment of the following members of the House to a Conference Committee on H. F. No. 1267:

Quinn, Jacobs and Weaver.

The Speaker announced the appointment of the following members of the House to a Conference Committee on H. F. No. 1423:

Ogren, Onnen and Ostrom.

The Speaker announced the appointment of the following members of the House to a Conference Committee on H. F. No. 1435:

Krueger, Jacobs and Anderson, R.

The Speaker announced the appointment of the following members of the House to a Conference Committee on H. F. No. 1454:

Neuenschwander, Solberg and Johnson, V.

The Speaker announced the appointment of the following members of the House to a Conference Committee on H. F. No. 1506:

Sparby, Sarna and Bennett.

The Speaker announced the appointment of the following members of the House to a Conference Committee on H. F. No. 1530:

Lieder, Sparby and Bennett.

There being no objection, the order of business reverted to Reports of Chief Clerk.

REPORTS OF CHIEF CLERK

S. F. No. 1105 and H. F. No. 1280, which had been referred to the Chief Clerk for comparison, were examined and found to be identical.

Lieder moved that S. F. No. 1105 be substituted for H. F. No. 1280 and that the House File be indefinitely postponed. The motion prevailed.

S. F. No. 299 and H. F. No. 215, which had been referred to the Chief Clerk for comparison, were examined and found to be identical with certain exceptions.

SUSPENSION OF RULES

Rukavina moved that the rules be so far suspended that S. F. No. 299 be substituted for H. F. No. 215 and that the House File be indefinitely postponed. The motion prevailed.

REPORTS OF STANDING COMMITTEES

Anderson, G., from the Committee on Appropriations to which was referred:

S. F. No. 852, A bill for an act relating to transportation; changing distribution of highway user taxes; authorizing use of state park road account to improve and maintain town roads that provide immediate access to state parks and campgrounds; increasing motor vehicle license tax on older vehicles; appropriating money; amending Minnesota Statutes 1988, sections 161.081; 161.082, subdivision 2a; 162.06, subdivision 5; 162.081, subdivision 1; and 168.013, subdivision 1a.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1988, section 161.081, is amended to read:

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

Pursuant to article 14, section 5, of the constitution, five percent of the net highway user tax distribution fund is set aside, and apportioned as follows:

- (1) ~~51~~ 28 percent to the trunk highway fund;
- (2) ~~41~~ 64 percent to a separate account in the county state-aid highway fund to be known as the county turnback account, which account in the state treasury is hereby created;
- (3) 8 percent to a separate account in the municipal state-aid street fund to be known as the municipal turnback account, which account in the state treasury is hereby created.

Sec. 2. Minnesota Statutes 1988, section 161.082, subdivision 2a, is amended to read:

Subd. 2a. An amount equal to ~~20~~ 25 percent of the county turnback account must be expended, within counties having two or more towns, on town road bridge structures that are 10 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. 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.

An amount equal to ~~37~~ 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.

Sec. 3. Minnesota Statutes 1988, section 162.06, subdivision 5, is amended to read:

Subd. 5. [STATE PARK ROAD ACCOUNT.] After deducting for administrative costs and for the disaster account and research account as heretofore provided from the remainder of the total sum provided for in subdivision 1, there shall be deducted a sum equal to the three-quarters of one percent of the remainder. The sum so

deducted shall be set aside in a separate account and shall be used for (1) the establishment, location, relocation, construction, reconstruction, and improvement of those roads included in the county state-aid highway system under Minnesota Statutes 1961, section 162.02, subdivision 6, which border and provide substantial access to an outdoor recreation unit as defined in section 86A.04 or which provide access to the headquarters of or the principal parking lot located within such a unit, and (2) the reconstruction, improvement, repair, and maintenance of county roads, city streets, and town roads that provide immediate access to public lakes, state parks, and state campgrounds. Roads described in clause (2) are not required to meet county state-aid highway standards. At the request of the commissioner of natural resources the counties wherein such roads are located shall do such work as requested in the same manner as on any county state-aid highway and shall be reimbursed for such construction, reconstruction, or improvements from the amount set aside by this subdivision. Before requesting a county to do work on a county state-aid highway as provided in this subdivision, the commissioner of natural resources must obtain approval for the project from the county state-aid screening board. The screening board, before giving its approval, must obtain a written comment on the project from the county engineer of the county requested to undertake the project. Before requesting a county to do work on a county road, city street, or a town road that provides immediate access to a public lake, a state park, or a state campground, the commissioner of natural resources shall obtain a written comment on the project from the county engineer of the county requested to undertake the project. Any sums paid to counties in accordance with this subdivision shall reduce the money needs of said counties in the amounts necessary to equalize their status with those counties not receiving such payments. Any balance of the amount so set aside, at the end of each year shall be transferred to the county state-aid highway fund.

Sec. 4. Minnesota Statutes 1988, section 162.081, subdivision 1, is amended to read:

Subdivision 1. [ACCOUNT CREATED.] A town road account is created in the county state-aid highway fund, consisting of ~~37 percent of the amounts transferred from~~ the county turnback account as provided in section 161.082.

Sec. 5. Minnesota Statutes 1988, section 168.013, subdivision 1a, is amended to read:

Subd. 1a. [PASSENGER AUTOMOBILES; AMBULANCES; HEARSES.] (a) On passenger automobiles as defined in section 168.011, subdivision 7, ambulances, and hearses, except as otherwise provided, the tax shall be \$10 plus an additional tax equal to 1.25 percent of the base value, ~~except that on pickup trucks the tax shall be:~~

(a) for the 1982 registration year, \$10 plus an additional tax equal to .75 percent of base value;

(b) for the 1983 registration year and each succeeding year, \$10 plus an additional tax equal to 1.25 percent of base value.

(b) Subject to the classification provisions herein, "base value" means the manufacturer's suggested retail price of the vehicle including destination charge as reflected on the price listing affixed to the vehicle in conformity with United States Code, title 15, sections 1231 to 1233 (Public Law Number 85-506) or otherwise suggested by the manufacturer or determined by the registrar if no suggested retail price exists, and shall not include the cost of each accessory or item of optional equipment separately added to the vehicle and the suggested retail price.

(c) If unable to determine the base value because the vehicle is specially constructed, or for any other reason, the registrar may establish such value upon the cost price to the purchaser or owner as evidenced by a certificate of cost but not including Minnesota sales or use tax or any local sales or other local tax.

(d) The registrar shall classify every vehicle in its proper base value class as follows:

FROM	TO
\$ 0	\$199.99
200	399.99

and thereafter a series of classes successively set in brackets having a spread of \$200 consisting of such number of classes as will permit classification of all vehicles.

(e) The base value for purposes of this section shall be the middle point between the extremes of its class.

(f) The registrar shall establish the base value, when new, of every passenger automobile, ambulance and hearse registered prior to the effective date of Extra Session Laws 1971, chapter 31, using list price information published by the manufacturer or any nationally recognized firm or association compiling such data for the automotive industry. If unable to ascertain the base value of any registered vehicle in the foregoing manner, the registrar may use any other available source or method. The tax on all previously registered vehicles shall be computed upon the base value thus determined taking into account the depreciation provisions of Extra Session Laws 1971, chapter 31.

(g) Except as provided in paragraph (h), the annual additional tax computed upon the base value as provided herein, during the first year and second years of vehicle life shall be computed upon 100 percent of the base value; for the second year third and fourth years,

90 percent of such value; for the third year fifth and sixth years, 75 percent of such value; for the fourth year seventh year, 60 percent of such value; for the fifth year, 45 percent of such value; for the sixth year, 35 percent of such value; for the seventh year, 30 percent of such value; for the eighth year, 20 percent of such value; for the ninth year, 15 percent of such value; for the tenth year, ten percent of such value; for the 11th and each succeeding year, the sum of \$13; provided that for registrations renewed on or after January 1, 1982, the annual additional tax for the 11th and each succeeding year of vehicle life shall be \$13, for registrations renewed on or after January 1, 1983, the annual additional tax shall be \$18, for registrations renewed on or after January 1, 1984, the annual additional tax shall be \$22, and for registrations renewed on or after January 1, 1985, the annual additional tax shall be \$25.

In no event shall the annual additional tax be less than \$13 for any registration renewed after January 1, 1982, nor less than \$18 for any registration renewed after January 1, 1983, \$22 for any registration renewed after January 1, 1984, and \$25 for any registration renewed after January 1, 1985.

(h) The annual additional tax under paragraph (g) on a motor vehicle on which the first annual tax was paid before the effective date of this section must not exceed the tax that was paid on that vehicle the year before.

Sec. 6. Minnesota Statutes 1988, section 297B.09, subdivision 1, is amended to read:

Subdivision 1. [GENERAL FUND SHARE.] (a) Money collected and received under this chapter must be deposited in the state treasury and credited to the general fund. The amounts collected and received shall be credited as provided in this subdivision, and transferred from the general fund on July 15 and January 15 of each fiscal year. The commissioner of finance must make each transfer based upon the actual receipts of the preceding six calendar months and include the interest earned during that six-month period. The commissioner of finance may establish a quarterly or other schedule providing for more frequent payments to the transit assistance fund if the commissioner determines it is necessary or desirable to provide for the cash flow needs of the recipients of money from the transit assistance fund.

(b) Thirty percent of the money collected and received under this chapter after June 30, 1988, and before July 1, 1991 1989, must be deposited in the highway user tax distribution fund and the transit assistance fund for apportionment as follows: 75 percent must be credited to the highway user tax distribution fund for apportionment in the same manner and for the same purposes as other money in that fund, and the remaining 25 percent of the money must be credited to the transit assistance fund to be appropriated to the

commissioner of transportation for transit assistance within the state and to the regional transit board.

(c) ~~Thirty~~ Thirty-five percent of the money collected and received under this chapter after June 30, 1991 ~~1989~~ and before July 1, 1990, must be deposited in the ~~trunk~~ highway user tax distribution fund and the transit assistance fund for apportionment as follows: 75 percent must be credited to the trunk highway user tax distribution fund for apportionment in the same manner and for the same purposes as other money in that fund, and the remaining 25 percent must be credited to the transit assistance fund.

(d) Forty percent of the money collected and received under this chapter after June 30, 1990, must be deposited in the highway user tax distribution fund and the transit assistance fund for apportionment as follows: 75 percent must be credited to the highway user tax distribution fund for apportionment in the same manner and for the same purposes as other money in that fund, and the remaining 25 percent must be credited to the transit assistance fund.

(e) The distributions under this subdivision to the highway user tax distribution fund until June 30, 1991, and to the trunk highway fund thereafter, must be reduced by the amount necessary to fund the appropriation under section 41A.09, subdivision 1. ~~For the fiscal years ending June 30, 1988, and June 30, 1989,~~ The commissioner of finance, before making the transfers required on July 15 and January 15 of each year, shall estimate the amount required to fund the appropriation under section 41A.09, subdivision 1, for the six-month period for which the transfer is being made. The commissioner shall then reduce the amount transferred to the highway user tax distribution fund by the amount of that estimate. The commissioner shall reduce the estimate for any six-month period by the amount by which the estimate for the previous six-month period exceeded the amount needed to fund the appropriation under section 41A.09, subdivision 1, for that previous six-month period. If at any time during a six-month period in those fiscal years the amount of reduction in the transfer to the highway user tax distribution fund is insufficient to fund the appropriation under section 41A.09, subdivision 1 for that period, the commissioner shall transfer to the general fund from the highway user tax distribution fund an additional amount sufficient to fund the appropriation for that period, but the additional amount so transferred to the general fund in a six-month period may not exceed the amount transferred to the highway user tax distribution fund for that six-month period.

Sec. 7. [APPROPRIATIONS.]

Subdivision 1. [HIGHWAY DEVELOPMENT.] \$64,500,000 is appropriated from the funds indicated to the commissioner of transportation for highway development, to be available for the fiscal year ending June 30 in the years indicated, as follows:

	1990	1991
<u>(a) Trunk highways</u> <u>This appropriation</u> <u>is from the trunk</u> <u>highway fund.</u>	<u>\$14,300,000</u>	<u>\$24,600,000</u>
<u>(b) County state aids</u> <u>This appropriation is</u> <u>from the county state-</u> <u>aid highway fund</u> <u>and is available until spent.</u>	<u>\$7,300,000</u>	<u>\$12,600,000</u>
<u>(c) Municipal state aids</u> <u>This appropriation is from</u> <u>the municipal state-aid</u> <u>street fund and is</u> <u>available until spent.</u>	<u>\$2,100,000</u>	<u>\$3,600,000</u>

Sec. 8. [EFFECTIVE DATE.]

Sections 1 to 5 and 7 are effective July 1, 1989. Section 5 is effective November 15, 1989, for registration year 1990 and subsequent years.

Delete the title and insert:

"A bill for an act relating to transportation; changing distribution of highway user taxes; authorizing use of state park road account to improve and maintain city streets and town roads that provide immediate access to state parks and campgrounds; increasing motor vehicle license tax on older vehicles; appropriating money; amending Minnesota Statutes 1988, sections 161.081; 161.082, subdivision 2a; 162.06, subdivision 5; 162.081, subdivision 1; 168.013, subdivision 1a; and 297B.09, subdivision 1."

With the recommendation that when so amended the bill pass.

The report was adopted.

SECOND READING OF SENATE BILLS

S. F. Nos. 1105, 299 and 852 were read for the second time.

Wynia moved that the House recess subject to the call of the Chair. The motion prevailed.

RECESS

RECONVENED

The House reconvened and was called to order by the Speaker.

REPORT FROM THE COMMITTEE ON RULES AND
LEGISLATIVE ADMINISTRATION

Wynia, from the Committee on Rules and Legislative Administration, pursuant to House Rule No. 1.9, designated the following bills as Special Orders to be acted upon immediately following Special Orders pending for today, Wednesday, May 10, 1989:

S. F. No. 834; H. F. No. 1636; S. F. No. 723; H. F. No. 579; S. F. Nos. 200 and 218; H. F. Nos. 341, 892, 907, 1046 and 1461; S. F. Nos. 391 and 829; H. F. No. 1548; S. F. Nos. 1191 and 339; and H. F. No. 415.

The Speaker called Quinn to the Chair.

CONSENT CALENDAR

H. F. No. 7 was reported to the House.

Upon objection of ten members, H. F. No. 7 was stricken from the Consent Calendar and placed upon General Orders.

H. F. No. 871 was reported to the House.

Upon objection of ten members, H. F. No. 871 was stricken from the Consent Calendar and placed upon General Orders.

SPECIAL ORDERS

S. F. No. 486 was reported to the House.

Rest moved to amend S. F. No. 486, as follows:

Delete everything after the enacting clause and insert:

“Section 1. Minnesota Statutes 1988, section 260.012, is amended to read:

260.012 [DUTY OF JUVENILE COURT TO ENSURE PLACEMENT PREVENTION AND FAMILY REUNIFICATION; REASONABLE EFFORTS.]

If a child in need of protection or services is under the court's dependency or neglect jurisdiction, the court shall ensure that reasonable efforts including culturally appropriate services by the social service agency are made to prevent placement or to eliminate the need for removal and to reunite the child with the child's family at the earliest possible time, consistent with the best interests, safety, and protection of the child. In the case of an Indian child, in proceedings under sections 260.172, 260.191, and 260.221, the juvenile court must make findings and conclusions consistent with the Indian Child Welfare Act of 1978, United States Code, title 25, section 1901 et seq., as to the provision of active efforts. If a child is under the court's delinquency jurisdiction, it shall be the duty of the court to ensure that reasonable efforts are made to reunite the child with the child's family at the earliest possible time, consistent with the best interests of the child and the safety of the public.

"Reasonable efforts" means the exercise of due diligence by the responsible social service agency to use appropriate and available services to meet the needs of the child and the child's family in order to prevent removal of the child from the child's family; or upon removal, services to eliminate the need for removal and reunite the family. Services may include those listed under section 256F.07, subdivision 3, and other appropriate services available in the community. The social service agency has the burden of demonstrating that it has made reasonable efforts.

The juvenile court, in proceedings under sections 260.172, 260.191, and 260.221 shall make findings and conclusions as to the provision of reasonable efforts. When determining whether reasonable efforts have been made, the court shall consider whether services to the child and family were:

- (1) relevant to the safety and protection of the child;
- (2) adequate to meet the needs of the child and family;
- (3) culturally appropriate;
- (4) available and accessible;
- (5) consistent and timely; and
- (6) realistic under the circumstances.

Nothing in this section prevents, delays, or limits out-of-home placement for treatment of a child with an emotional disturbance or

mental disability when the child's diagnostic assessment or individual treatment plan indicates the placement is clinically appropriate.

Sec. 2. Minnesota Statutes 1988, section 260.015, is amended by adding a subdivision to read:

Subd. 1a. "Agency" means the local social service agency or a licensed child placing agency.

Sec. 3. Minnesota Statutes 1988, section 260.015, subdivision 11, is amended to read:

Subd. 11. "Parent" means the natural or adoptive parent of a minor. For an Indian child, parent includes any Indian person who has adopted a child by tribal law or custom, as provided in section 257.351, subdivision 11.

Sec. 4. Minnesota Statutes 1988, section 260.015, subdivision 13, is amended to read:

Subd. 13. "Relative" means a parent, stepparent, grandparent, brother, sister, uncle, or aunt of the minor. This relationship may be by blood or marriage. For an Indian child, relative includes members of the extended family as defined by the law or custom of the Indian child's tribe or, in the absence of laws or custom, nieces, nephews, or first or second cousins as provided in the Indian Child Welfare Act of 1978, United States Code, title 25, section 1903. For purposes of dispositions, relative has the meaning given it in section 260.181, subdivision 3.

Sec. 5. Minnesota Statutes 1988, section 260.015, subdivision 14, is amended to read:

Subd. 14. "Custodian" means any person who is under a legal obligation to provide care and support for a minor or who is in fact providing care and support for a minor. For an Indian child, custodian means any Indian person who has legal custody of an Indian child under tribal law or custom or under state law or to whom temporary physical care, custody, and control has been transferred by the parent of the child, as provided in section 257.351, subdivision 8.

Sec. 6. Minnesota Statutes 1988, section 260.015, is amended by adding a subdivision to read:

Subd. 26. [INDIAN.] "Indian," consistent with section 257.351, subdivision 5, means a person who is a member of an Indian tribe or who is an Alaskan native and a member of a regional corporation as defined in section 7 of the Alaska Native Claims Settlement Act, United States Code, title 43, section 1606.

Sec. 7. Minnesota Statutes 1988, section 260.015, is amended by adding a subdivision to read:

Subd. 27. [INDIAN CHILD.] "Indian child," consistent with section 257.351, subdivision 6, means an unmarried person who is under age 18 and is:

- (1) a member of an Indian tribe; or
- (2) eligible for membership in an Indian tribe.

Sec. 8. Minnesota Statutes 1988, section 260.111, is amended by adding a subdivision to read:

Subd. 5. [JURISDICTION OVER INDIAN CHILDREN.] In a child in need of protection or services proceeding, when an Indian child is a ward of a tribal court with federally recognized child welfare jurisdiction, the Indian tribe retains exclusive jurisdiction notwithstanding the residence or domicile of an Indian child, as provided in the Indian Child Welfare Act of 1978, United States Code, title 25, section 1911.

Sec. 9. Minnesota Statutes 1988, section 260.135, subdivision 2, is amended to read:

Subd. 2. The court shall have notice of the pendency of the case and of the time and place of the hearing served upon a parent, guardian, or spouse of the child, who has not been summoned as provided in subdivision 1. For an Indian child, notice of all proceedings must comply with the Indian Child Welfare Act of 1978, United States Code, title 25, section 1901, et seq., and section 257.353.

Sec. 10. Minnesota Statutes 1988, section 260.141, is amended by adding a subdivision to read:

Subd. 2a. In any proceeding regarding a child in need of protection or services in a state court where the court knows or has reason to know that an Indian child is involved, the prosecuting authority seeking the foster care placement of, or termination of parental rights to an Indian child, shall notify the parent or Indian custodian and the Indian child's tribe of the pending proceedings and of their right of intervention. Unless personal service is accomplished, the notices required under this subdivision shall be made by registered mail with return receipt requested. If the identity or location of the parent or Indian custodian and the tribe cannot be determined, the notices shall be given to the Secretary of the Interior of the United States in like manner, according to the Indian Child Welfare Act of 1978, United States Code, title 25, section 1912. No foster care placement proceeding or termination of parental rights proceeding shall be held until at least ten days after receipt of notice by the

parent or Indian custodian and the tribe or the Secretary. However, the parent or Indian custodian or the tribe shall, upon request, be granted up to 20 additional days to prepare for the proceeding.

Sec. 11. Minnesota Statutes 1988, section 260.155, subdivision 1a, is amended to read:

Subd. 1a. [RIGHT TO PARTICIPATE IN PROCEEDINGS.] A child who is the subject of a petition, and the parents, guardian, or lawful custodian of the child have the right to participate in all proceedings on a petition. Any grandparent of the child ~~has a right to participate in the proceedings to the same extent as a parent~~, if the child has lived with the grandparent within the two years preceding the filing of the petition, may ask the court for the right to participate in the proceedings. In determining whether and to what extent the grandparent should participate, the court shall consider the best interests of the child. A grandparent who is entitled to notice but who is not given the right to participate shall still have the right to be present at the hearing, subject to subdivision 5. At the first hearing following the filing of a petition, the court shall ask whether the child has lived with a grandparent within the last two years, except that the court need not make this inquiry if the petition states that the child did not live with a grandparent during this time period. Failure to notify a grandparent of the proceedings is not a jurisdictional defect.

Sec. 12. Minnesota Statutes 1988, section 260.155, subdivision 4, is amended to read:

Subd. 4. [GUARDIAN AD LITEM.] (a) The court shall appoint a guardian ad litem to protect the interests of the minor when it appears, at any stage of the proceedings, that the minor is without a parent or guardian, or that the minor's parent is a minor or incompetent, or that the parent or guardian is indifferent or hostile to the minor's interests, and in every proceeding alleging a child's need for protection or services under section 260.015, subdivision 2a, clauses (1) to (10). In any other case the court may appoint a guardian ad litem to protect the interests of the minor when the court feels that such an appointment is desirable. The court shall appoint the guardian ad litem on its own motion or in the manner provided for the appointment of a guardian ad litem in the district court.

(b) The court may waive the appointment of a guardian ad litem pursuant to clause (a), whenever counsel has been appointed pursuant to subdivision 2 or is retained otherwise, and the court is satisfied that the interests of the minor are protected.

(c) In appointing a guardian ad litem pursuant to clause (a), the court shall not appoint the party, or any agent or employee thereof, filing a petition pursuant to section 260.131.

(d) The following factors shall be considered if a guardian ad litem is appointed in a case involving an Indian or minority child:

(1) whether a person is available who is the same racial or ethnic heritage as the child or, if that is not possible,

(2) whether a person is available who knows and appreciates the child's racial or ethnic heritage.

Sec. 13. Minnesota Statutes 1988, section 260.155, subdivision 7, is amended to read:

Subd. 7. [FACTORS IN DETERMINING NEGLECT.] In determining whether a child is neglected and in foster care, the court shall consider, among other factors, the following:

(1) the length of time the child has been in foster care;

(2) the effort the parent has made to adjust circumstances, conduct, or condition that necessitates the removal of the child to make it in the child's best interest to be returned to the parent's home in the foreseeable future, including the use of rehabilitative services offered to the parent;

(3) whether the parent has visited the child within the three months preceding the filing of the petition, unless extreme financial or physical hardship or treatment for mental disability or chemical dependency or other good cause prevented the parent from visiting the child or it was not in the best interests of the child to be visited by the parent;

(4) the maintenance of regular contact or communication with the agency or person temporarily responsible for the child;

(5) the appropriateness and adequacy of services provided or offered to the parent to facilitate a reunion;

(6) whether additional services would be likely to bring about lasting parental adjustment enabling a return of the child to the parent within an ascertainable period of time, whether the services have been offered to the parent or, if services were not offered, the reasons they were not offered; and

(7) the nature of the ~~effort~~ efforts made by the responsible social service agency to rehabilitate and reunite the family, and whether the efforts were reasonable.

Sec. 14. Minnesota Statutes 1988, section 260.165, subdivision 1, is amended to read:

Subdivision 1. No child may be taken into immediate custody except:

(a) With an order issued by the court in accordance with the provisions of section 260.135, subdivision 5, or by a warrant issued in accordance with the provisions of section 260.145; or

(b) In accordance with the laws relating to arrests; or

(c) By a peace officer

(1) when a child has run away from a parent, guardian, or custodian, or when the peace officer reasonably believes such child has run away from a parent, guardian, or custodian; or

(2) when a child is found in surroundings or conditions which endanger the child's health or welfare or which such peace officer reasonably believes will endanger such the child's health or welfare. If an Indian child is a resident of a reservation or is domiciled on a reservation but temporarily located off the reservation, the taking of the child into custody under this clause shall be consistent with the Indian Child Welfare Act of 1978, United States Code, title 25, section 1922; or

(d) By a peace officer or probation or parole officer when it is reasonably believed that the child has violated the terms of probation, parole, or other field supervision.

Sec. 15. Minnesota Statutes 1988, section 260.171, subdivision 1, is amended to read:

Subdivision 1. If a child is taken into custody as provided in section 260.165, the parent, guardian, or custodian of the child shall be notified as soon as possible. Unless there is reason to believe that the child would endanger self or others, not return for a court hearing, run away from the child's parent, guardian, or custodian or otherwise not remain in the care or control of the person to whose lawful custody the child is released, or that the child's health or welfare would be immediately endangered, the child shall be released to the custody of a parent, guardian, custodian, or other suitable person. When a child is taken into custody by a peace officer under section 260.165, subdivision 1, clause (c)(2), release from detention may be authorized by the detaining officer, the detaining officer's supervisor, or the county attorney. If the social service agency has determined that the child's health or welfare will not be endangered and the provision of appropriate and available services will eliminate the need for placement, the agency shall request authorization for the child's release from detention. That The person to whom the child is released shall promise to bring the child to the court, if necessary, at the time the court may direct. If the person

taking the child into custody believes it desirable, that person may request the parent, guardian, custodian, or other person designated by the court to sign a written promise to bring the child to court as provided above. The intentional violation of such a promise, whether given orally or in writing, shall be punishable as contempt of court.

The court may require the parent, guardian, custodian, or other person to whom the child is released, to post any reasonable bail or bond required by the court which shall be forfeited to the court if the child does not appear as directed. The court may also release the child on the child's own promise to appear in juvenile court.

Sec. 16. Minnesota Statutes 1988, section 260.172, subdivision 1, is amended to read:

Subdivision 1. Except a child taken into custody pursuant to section 260.165, subdivision 1, clause (a) or (c)(2), a hearing shall be held within 36 hours of a child's being taken into custody, excluding Saturdays, Sundays, and holidays, to determine whether the child should continue in detention. Within 72 hours of a child being taken into custody pursuant to section 260.165, subdivision 1, clause (a) or (c)(2), excluding Saturdays, Sundays, and holidays, a hearing shall be held to determine whether the child should continue in custody. Unless there is reason to believe that the child would endanger self or others, not return for a court hearing, run away from the child's parent, guardian, or custodian or otherwise not remain in the care or control of the person to whose lawful custody the child is released, or that the child's health or welfare would be immediately endangered, the child shall be released to the custody of a parent, guardian, custodian, or other suitable person. In a proceeding regarding a child in need of protection or services, the court, before determining whether a child should continue in custody, shall also make a determination, consistent with section 260.012, as to whether reasonable efforts, or in the case of an Indian child, active efforts, according to the Indian Child Welfare Act of 1978, United States Code, title 25, section 1912(d), were made to prevent placement or to reunite the child with the child's family, or that reasonable efforts were not possible. The court shall also determine whether there are available services that would prevent the need for further detention.

If the court finds the social services agency's preventive or reunification efforts have not been reasonable but further preventive or reunification efforts could not permit the child to safely remain at home, the court may nevertheless authorize or continue the removal of the child.

Sec. 17. Minnesota Statutes 1988, section 260.172, subdivision 4, is amended to read:

Subd. 4. If a child held in detention under a court order issued under subdivision 2 has not been released prior to expiration of the

order, the court or referee shall informally review the child's case file to determine, under the standards provided by subdivision 1, whether detention should be continued. If detention is continued thereafter, informal reviews such as these shall be held within every eight days, excluding Saturdays, Sundays and holidays, of the child's detention.

A hearing, rather than an informal review of the child's case file, shall be held at the request of any one of the parties notified pursuant to subdivision 3, if that party notifies the court of a wish to present to the court new evidence concerning whether the child should be continued in detention or notifies the court of a wish to present an alternate placement arrangement to provide for the safety and protection of the child.

In addition, if a child was taken into detention under section 260.135, subdivision 5, or 260.165, subdivision 1, clause (c)(2), and is held in detention under a court order issued under subdivision 2, the court shall schedule and hold an adjudicatory hearing on the petition within 60 days of the detention hearing upon the request of any party to the proceeding unless. However, if good cause is shown by a party to the proceeding why the hearing should not be held within that time period, the hearing shall be held within 90 days, unless the parties agree otherwise and the court so orders.

Sec. 18. Minnesota Statutes 1988, section 260.173, subdivision 2, is amended to read:

Subd. 2. Notwithstanding the provisions of subdivision 1, if the child had been taken into custody pursuant to section 260.165, subdivision 1, clause (a), or had been found in surroundings or conditions reasonably believed to endanger the child's health or welfare, and is not alleged to be delinquent, the child may shall be detained only in the least restrictive setting consistent with the child's health and welfare and in closest proximity to the child's family as possible. Placement may be with a child's relative, or in a shelter care facility.

Sec. 19. Minnesota Statutes 1988, section 260.181, subdivision 2, is amended to read:

Subd. 2. [CONSIDERATION OF REPORTS.] Before making a disposition in a case, or terminating parental rights, or appointing a guardian for a child the court may consider any report or recommendation made by the county welfare board, probation officer, or licensed child placing agency, foster parent, guardian ad litem, tribal representative, or other authorized advocate for the child or child's family, or any other information deemed material by the court.

Sec. 20. Minnesota Statutes 1988, section 260.191, subdivision 1a, is amended to read:

Subd. 1a. [WRITTEN FINDINGS.] Any order for a disposition authorized under this section shall contain written findings of fact to support the disposition ordered, and shall also set forth in writing the following information:

(a) Why the best interests of the child are served by the disposition ordered;

(b) What alternative dispositions were considered by the court and why such dispositions were not appropriate in the instant case; and

(c) In the case of a child of minority, racial or minority ethnic heritage, how the court's disposition complies with the requirements of section 260.181, subdivision 3; and

(d) Whether reasonable efforts consistent with section 260.012 were made to prevent or eliminate the necessity of the child's removal and to reunify the family after removal. The court's findings must include a brief description of what preventive and reunification efforts were made and why further efforts could not have prevented or eliminated the necessity of removal.

If the court finds that the social services agency's preventive or reunification efforts have not been reasonable but that further preventive or reunification efforts could not permit the child to safely remain at home, the court may nevertheless authorize or continue the removal of the child.

Sec. 21. Minnesota Statutes 1988, section 260.191, subdivision 1e, is amended to read:

Subd. 1e. [CASE PLAN.] For each disposition ordered, the court shall order the appropriate agency to prepare a written case plan developed after consultation with and participation by the child and the child's parent, guardian, or foster parent, custodian, or guardian ad litem and tribal representative if the tribe has intervened. The case plan shall comply with the requirements of section 257.071, where applicable. The case plan shall, among other matters, specify the actions to be taken by the child and the child's parent, guardian, foster parent, or custodian to comply with the court's disposition order, and the services to be offered and provided by the agency to the child and the child's parent, guardian, or custodian. For each disposition ordered, the written case plan shall specify what reasonable efforts shall be provided to the family. The case plan must include a discussion of:

(1) the availability of appropriate prevention and reunification

services for the family to prevent the removal of the child from the home or to reunify the child with the family after removal;

(2) any services or resources that were requested by the child or the child's parent, guardian, or custodian since the date of initial adjudication, and whether those services or resources were provided or the basis for denial of the services or resources;

(3) the need of the child and family for care, treatment, or rehabilitation;

(4) the need for participation by the parent, guardian, or custodian in the plan of care for the child; and

(5) a description of any services that could prevent placement or reunify the family if such services were available.

The court shall review the case plan and, upon approving it, incorporate the plan into its disposition order. The court may review and modify the terms of the case plan in the manner provided in subdivision 2. A party has a right to request a court review of the reasonableness of the case plan upon a showing of a substantial change of circumstances.

Sec. 22. Minnesota Statutes 1988, section 260.231, subdivision 3, is amended to read:

Subd. 3. The court shall have notice of the time, place, and purpose of the hearing served on the parents, as defined in sections 257.51 to 257.74 or 259.26, subdivision 1, clause (2), and upon the child's grandparent if the child has lived with the grandparent within the two years immediately preceding the filing of the petition. Notice shall be served in the manner provided in sections 260.135 and 260.141, except that personal service shall be made at least ten days before the day of the hearing. Published notice shall be made for three weeks, the last publication to be at least ten days before the day of the hearing; and notice sent by certified mail shall be mailed at least 20 days before the day of the hearing. A parent who consents to the termination of parental rights under the provisions of section 260.221, clause (a), may waive in writing the notice required by this subdivision; however, if the parent is a minor or incompetent the waiver shall be effective only if the parent's guardian ad litem concurs in writing."

Delete the title and insert:

"A bill for an act relating to juvenile justice; requiring reasonable efforts to prevent placement of children in need of protection or services proceedings; amending duty of juvenile court to ensure placement prevention and family reunification; defining reasonable

efforts; clarifying definitions, jurisdiction, and services for Indian children; requiring preference for racial or ethnic heritage for appointment of guardian ad litem; requiring consideration of reasonable efforts in factors determining neglect; requiring finding of reasonable efforts at detention; imposing requirements for disposition case plans; providing for notice to and participation by certain grandparents in juvenile court; amending Minnesota Statutes 1988, sections 260.012; 260.015, subdivisions 11, 13, 14, and by adding subdivisions; 260.111, by adding a subdivision; 260.135, subdivision 2; 260.141, by adding a subdivision; 260.155, subdivisions 1a, 4, and 7; 260.165, subdivision 1; 260.171, subdivision 1; 260.172, subdivisions 1 and 4; 260.173, subdivision 2; 260.181, subdivision 2; 260.191, subdivisions 1a and 1e; and 260.231, subdivision 3."

The motion prevailed and the amendment was adopted.

S. F. No. 486, A bill for an act relating to juvenile justice; requiring reasonable efforts to prevent placement of children in need of protection or services proceedings; amending duty of juvenile court to ensure placement prevention and family reunification; defining reasonable efforts; clarifying definitions, jurisdiction, and services for Indian children; requiring preference for racial or ethnic heritage for appointment of guardian ad litem; requiring consideration of reasonable efforts in factors determining neglect; requiring that a child be in imminent danger for detention; permitting social services to release for detention; requiring finding of reasonable efforts at detention; and imposing requirements for disposition case plans; amending Minnesota Statutes 1988, sections 260.012; 260.015, subdivisions 11, 13, 14, and by adding subdivisions; 260.111, by adding a subdivision; 260.135, subdivision 2; 260.141; 260.155, subdivisions 4 and 7; 260.165, subdivision 1; 260.171, subdivision 1; 260.172, subdivisions 1 and 4; 260.173, subdivision 2; 260.181, subdivision 2; and 260.191, subdivisions 1a and 1e.

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

The question was taken on the passage of the bill and the roll was called. There were 129 yeas and 3 nays as follows:

Those who voted in the affirmative were:

Abrams	Blatz	Dauner	Gruenes	Janezich
Anderson, G.	Boo	Dawkins	Gutknecht	Jaros
Anderson, R.	Brown	Dempsey	Hartle	Jefferson
Battaglia	Burger	Dille	Hasskamp	Jennings
Bauerly	Carlson, D.	Dorn	Haukoos	Johnson, A.
Beard	Carlson, L.	Forsythe	Heap	Johnson, R.
Begich	Carruthers	Frederick	Henry	Johnson, V.
Bennett	Clark	Frerichs	Himle	Kahn
Bertram	Conway	Girard	Hugoson	Kalis
Bishop	Cooper	Greenfield	Jacobs	Kelly

Kelso	Miller	Ostrom	Richter	Tompkins
Kinkel	Morrison	Otis	Rodosovich	Trimble
Knickerbocker	Munger	Ozment	Rukavina	Tunheim
Kostohryz	Murphy	Pappas	Runbeck	Uphus
Lasley	Nelson, C.	Pauly	Sarna	Valento
Lieder	Nelson, K.	Pellow	Schafer	Vellenga
Limmer	Neuenschwander	Pelowski	Scheid	Wagenius
Long	O'Connor	Peterson	Schreiber	Waltman
Macklin	Ogren	Poppenhagen	Seaberg	Weaver
Marsh	Olsen, S.	Price	Simoneau	Welle
McDonald	Olson, E.	Pugh	Sparby	Wenzel
McEachern	Olson, K.	Quinn	Stanius	Williams
McGuire	Omann	Redalen	Steensma	Winter
McLaughlin	Onnen	Reding	Sviggum	Wynia
McPherson	Orenstein	Rest	Swenson	Spk. Vanasek
Milbert	Osthoff	Rice	Tjornhom	

Those who voted in the negative were:

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

S. F. No. 1374, A bill for an act relating to education; providing that discrimination against a pupil by a teacher may be grounds for discharge or demotion; amending Minnesota Statutes 1988, sections 125.12, subdivision 8; and 125.17, subdivision 4.

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

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

Those who voted in the affirmative were:

Abrams	Dille	Johnson, V.	Murphy	Pugh
Anderson, G.	Dorn	Kalis	Nelson, C.	Quinn
Anderson, R.	Forsythe	Kelly	Nelson, K.	Redalen
Battaglia	Frederick	Kelso	Neuenschwander	Reding
Bauerly	Frerichs	Kinkel	O'Connor	Rest
Beard	Girard	Knickerbocker	Ogren	Rice
Begich	Greenfield	Kostohryz	Olsen, S.	Richter
Bennett	Gruenes	Krueger	Olson, E.	Rodosovich
Bertram	Gutknecht	Lasley	Olson, K.	Rukavina
Bishop	Hartle	Lieder	Omann	Runbeck
Blatz	Hasskamp	Limmer	Onnen	Sarna
Boo	Haukoos	Long	Orenstein	Schafer
Brown	Heap	Macklin	Osthoff	Scheid
Burger	Henry	Marsh	Ostrom	Schreiber
Carlson, D.	Himle	McDonald	Otis	Seaberg
Carlson, L.	Hugoson	McEachern	Ozment	Simoneau
Carruthers	Jacobs	McGuire	Pappas	Skoglund
Clark	Janezich	McLaughlin	Pauly	Solberg
Conway	Jaros	McPherson	Pellow	Sparby
Cooper	Jefferson	Milbert	Pelowski	Stanius
Dauner	Jennings	Miller	Peterson	Steensma
Dawkins	Johnson, A.	Morrison	Poppenhagen	Sviggum
Dempsey	Johnson, R.	Munger	Price	Swenson

Tjornhom	Uphus	Waltman	Williams
Tompkins	Valento	Weaver	Winter
Trimble	Vellenga	Welle	Wynia
Tunheim	Wagenius	Wenzel	Spk. Vanasek

The bill was passed and its title agreed to.

S. F. No. 184, A bill for an act relating to charitable organizations; regulating charitable solicitations and professional fund raisers; excluding certain religious organizations from registration; requiring a bond for professional fund raisers who have access to contributions; modifying disclosure requirements; authorizing the district court to redress violations of law; amending Minnesota Statutes 1988, sections 309.515, subdivision 2; 309.531, subdivision 2; 309.556; and 309.57, subdivision 1.

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

The question was taken on the passage of the bill and the roll was called. There were 129 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Abrams	Frederick	Knickerbocker	Omam	Scheid
Anderson, G.	Frerichs	Kostohryz	Onnen	Seaberg
Anderson, R.	Girard	Krueger	Orenstein	Simoneau
Battaglia	Greenfield	Lasley	Osthoff	Skoglund
Bauerly	Gruenes	Lieder	Ostrom	Solberg
Beard	Gutknecht	Limmer	Otis	Sparby
Begich	Hartle	Long	Ozment	Stanius
Bennett	Hasskamp	Macklin	Pappas	Steensma
Bertram	Haukoos	Marsh	Pauly	Sviggum
Bishop	Heap	McDonald	Pellow	Swenson
Blatz	Henry	McEachern	Pelowski	Tjornhom
Boo	Himle	McGuire	Peterson	Tompkins
Brown	Hugoson	McLaughlin	Poppenhagen	Trimble
Burger	Jacobs	McPherson	Price	Tunheim
Carlson, D.	Janezich	Milbert	Pugh	Uphus
Carlson, L.	Jaros	Miller	Quinn	Valento
Carruthers	Jefferson	Morrison	Redalen	Vellenga
Clark	Jennings	Munger	Reding	Wagenius
Conway	Johnson, A.	Murphy	Rest	Waltman
Cooper	Johnson, R.	Nelson, C.	Rice	Weaver
Dauner	Johnson, V.	Nelson, K.	Richter	Welle
Dawkins	Kahn	Neuenschwander	Rodosovich	Wenzel
Dempsey	Kalis	O'Connor	Rukavina	Williams
Dille	Kelly	Ogren	Runbeck	Wynia
Dorn	Kelso	Olsen, S.	Sarna	Spk. Vanasek
Forsythe	Kinkel	Olson, K.	Schafer	

The bill was passed and its title agreed to.

S. F. No. 834 was reported to the House.

Pellow moved to amend S. F. No. 834, as follows:

Page 6, line 35, delete "the floor level" and insert "the bottom of the dashboard"

The motion prevailed and the amendment was adopted.

S. F. No. 834, A bill for an act relating to consumer protection; requiring motor vehicle damage disclosures and branding certificates of title; amending Minnesota Statutes 1988, sections 168A.04, subdivisions 1 and 4; and 168A.05, subdivisions 3 and 5; proposing coding for new law in Minnesota Statutes, chapter 325F.

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	Frerichs	Krueger	Orenstein	Simoneau
Anderson, G.	Girard	Lasley	Osthoff	Skoglund
Anderson, R.	Greenfield	Lieder	Ostrom	Solberg
Battaglia	Gruenes	Limmer	Otis	Sparby
Bauerly	Gutknecht	Long	Ozment	Stanius
Beard	Hartle	Macklin	Pappas	Steenasma
Begich	Hasskamp	Marsh	Pauly	Svigum
Bennett	Haukoos	McDonald	Pellow	Swenson
Bertram	Heap	McEachern	Pelowski	Tjornhom
Bishop	Henry	McGuire	Peterson	Tompkins
Blatz	Himle	McLaughlin	Poppenhagen	Trimble
Boo	Hugoson	McPherson	Price	Tunheim
Brown	Jacobs	Milbert	Pugh	Uphus
Burger	Janezich	Miller	Quinn	Valento
Carlson, D.	Jaros	Morrison	Redalen	Vellenga
Carlson, L.	Jefferson	Munger	Reding	Wagenius
Carruthers	Jennings	Murphy	Rest	Waltman
Clark	Johnson, A.	Nelson, C.	Rice	Weaver
Conway	Johnson, R.	Nelson, K.	Richter	Welle
Cooper	Johnson, V.	Neuenschwander	Rodosovich	Wenzel
Dauner	Kahn	O'Connor	Rukavina	Williams
Dawkins	Kalis	Ogren	Runbeck	Winter
Dempsey	Kelly	Olsen, S.	Sarna	Wynia
Dille	Kelso	Olsen, E.	Schafer	Spk. Vanasek
Dorn	Kinkel	Olson, K.	Scheid	
Forsythe	Knickerbocker	Omann	Schreiber	
Frederick	Kostohryz	Onnen	Seaberg	

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

H. F. No. 1636 was reported to the House.

McEachern moved that H. F. No. 1636 be continued on Special Orders. The motion prevailed.

S. F. No. 723 was reported to the House.

Krueger moved that S. F. No. 723 be continued on Special Orders. The motion prevailed.

H. F. No. 579, A bill for an act relating to certain commercial transactions; adopting an article of the uniform commercial code that governs leases; providing the conditions for the determination of the existence of certain vehicle leases; amending Minnesota Statutes 1988, sections 168A.17, by adding a subdivision; 336.1-105; 336.1-201; and 336.9-113; proposing coding for new law in Minnesota Statutes, chapter 336.

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 1 nay as follows:

Those who voted in the affirmative were:

Abrams	Frederick	Knickerbocker	Olson, K.	Scheid
Anderson, G.	Frerichs	Kostohryz	Omann	Schreiber
Anderson, R.	Girard	Krueger	Onnen	Seaberg
Battaglia	Greenfield	Lasley	Orenstein	Simoneau
Bauerly	Gruenes	Lieder	Osthoff	Skoglund
Beard	Gutknecht	Limmer	Ostrom	Solberg
Begich	Hartle	Long	Otis	Sparby
Bennett	Hasskamp	Macklin	Ozment	Stanius
Bertram	Haukoos	Marsh	Pappas	Steensma
Bishop	Heap	McDonald	Pauly	Sviggum
Blatz	Henry	McEachern	Pellow	Swenson
Boo	Himle	McGuire	Pelowski	Tjornhom
Brown	Hugoson	McLaughlin	Peterson	Tompkins
Burger	Jacobs	McPherson	Poppenhagen	Trimble
Carlson, D.	Janezich	Milbert	Price	Tunheim
Carlson, L.	Jaros	Miller	Pugh	Uphus
Carruthers	Jefferson	Morrison	Quinn	Valento
Clark	Jennings	Munger	Redalen	Vellenga
Conway	Johnson, A.	Murphy	Reding	Wagenius
Cooper	Johnson, R.	Nelson, C.	Rest	Waltman
Dauner	Johnson, V.	Nelson, K.	Richter	Weaver
Dawkins	Kahn	Neuenschwander	Rodosovich	Welle
Dempsey	Kalis	O'Connor	Rukavina	Wenzel
Dille	Kelly	Ogren	Runbeck	Williams
Dorn	Kelso	Olsen, S.	Sarna	Winter
Forsythe	Kinkel	Olson, E.	Schafer	Wynia
				Spk. Vanasek

Those who voted in the negative were:

Rice

The bill was passed and its title agreed to.

S. F. No. 200, A bill for an act relating to insurance; regulating continuing insurance education; amending Minnesota Statutes

1988, section 60A.1701, subdivisions 1, 5, 7, 8, and 9; repealing Minnesota Rules, part 2725.0240.

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

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

Those who voted in the affirmative were:

Abrams	Frederick	Knickerbocker	Olson, K.	Schafer
Anderson, G.	Frerichs	Kostohryz	Omann	Scheid
Anderson, R.	Girard	Krueger	Onnen	Schreiber
Battaglia	Greenfield	Lasley	Orenstein	Seaberg
Bauerly	Gruenes	Lieder	Osthoff	Simoneau
Beard	Gutknecht	Limmer	Ostrom	Skoglund
Begich	Hartle	Long	Otis	Solberg
Bennett	Hasskamp	Macklin	Ozment	Sparby
Bertram	Haukoos	Marsh	Pappas	Stanius
Bishop	Heap	McDonald	Pauly	Steensma
Blatz	Henry	McEachern	Pellow	Sviggum
Boo	Himle	McGuire	Pelowski	Swenson
Brown	Hugoson	McLaughlin	Peterson	Tjornhom
Burger	Jacobs	McPherson	Poppenhagen	Tompkins
Carlson, D.	Janezich	Milbert	Price	Trimble
Carlson, L.	Jaros	Miller	Pugh	Tunheim
Carruthers	Jefferson	Morrison	Quinn	Uphus
Clark	Jennings	Munger	Redalen	Valento
Conway	Johnson, A.	Murphy	Reding	Vellenga
Cooper	Johnson, R.	Nelson, C.	Rest	Wagenius
Dauner	Johnson, V.	Nelson, K.	Rice	Waltman
Dawkins	Kahn	Neuenschwander	Richter	Weaver
Dempsey	Kalis	O'Connor	Rodosovich	Welle
Dille	Kelly	Ogren	Rukavina	Williams
Dorn	Kelso	Olsen, S.	Runbeck	Winter
Forsythe	Kinkel	Olson, E.	Sarna	Wynia
				Spk. Vanasek

The bill was passed and its title agreed to.

S. F. No. 218, A bill for an act relating to health; amending the bill of rights for patients and residents of health facilities; requiring health facilities to notify family members of the admission of a patient or resident under certain circumstances; amending Minnesota Statutes 1988, section 144.651, subdivision 10.

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	Anderson, G.	Anderson, R.	Battaglia	Bauerly
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Beard	Gruenes	Lieder	Osthoff	Seaberg
Begich	Hartle	Limmer	Ostrom	Simoneau
Bennett	Hasskamp	Long	Otis	Skoglund
Bertram	Haukoos	Macklin	Ozment	Solberg
Bishop	Heap	Marsh	Pappas	Sparby
Blatz	Henry	McDonald	Pauly	Stanius
Boo	Himle	McEachern	Pellow	Steensma
Brown	Hugoson	McGuire	Pelowski	Sviggum
Burger	Jacobs	McLaughlin	Peterson	Swenson
Carlson, D.	Janezich	McPherson	Poppenhagen	Tjornhom
Carlson, L.	Jaros	Milbert	Price	Tompkins
Carruthers	Jefferson	Morrison	Pugh	Trimble
Clark	Jennings	Munger	Quinn	Tunheim
Conway	Johnson, A.	Murphy	Redalen	Uphus
Cooper	Johnson, R.	Nelson, C.	Reding	Valento
Dauner	Johnson, V.	Nelson, K.	Rest	Vellenga
Dawkins	Kahn	Neuenschwander	Rice	Wagenius
Dempsey	Kalis	O'Connor	Richter	Waltman
Dille	Kelly	Ogren	Rodosovich	Weaver
Dorn	Kelso	Olsen, S.	Rukavina	Welle
Forsythe	Kinkel	Olson, E.	Runbeck	Wenzel
Frederick	Knickerbocker	Olson, K.	Sarna	Williams
Frerichs	Kostohryz	Omman	Schafer	Winter
Girard	Krueger	Onnen	Scheid	Wynia
Greenfield	Lasley	Orenstein	Schreiber	Spk. Vanasek

The bill was passed and its title agreed to.

H. F. No. 341 was reported to the House.

Trimble moved that H. F. No. 341 be temporarily laid over on Special Orders. The motion prevailed.

H. F. No. 892, A bill for an act relating to public safety; changing the definition of "dwelling"; authorizing more stringent local smoke detector requirements; creating the position of public fire safety educator; appropriating money; amending Minnesota Statutes 1988, section 299F.362, subdivisions 1 and 9.

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	Bishop	Conway	Girard	Himle
Anderson, G.	Blatz	Cooper	Greenfield	Hugoson
Anderson, R.	Boo	Dauner	Gruenes	Jacobs
Battaglia	Brown	Dawkins	Gutknecht	Janezich
Bauerly	Burger	Dempsey	Hartle	Jaros
Beard	Carlson, D.	Dorn	Hasskamp	Jefferson
Begich	Carlson, L.	Forsythe	Haukoos	Jennings
Bennett	Carruthers	Frederick	Heap	Johnson, A.
Bertram	Clark	Frerichs	Henry	Johnson, R.

Johnson, V.	McGuire	Orenstein	Richter	Tompkins
Kahn	McLaughlin	Osthoff	Rodosovich	Trimble
Kalis	McPherson	Ostrom	Rukavina	Tunheim
Kelly	Milbert	Otis	Runbeck	Uphus
Kelso	Morrison	Ozment	Sarna	Valento
Kinkel	Munger	Pappas	Schafer	Vellenga
Knickerbocker	Murphy	Pauly	Scheid	Wagenius
Kostohryz	Nelson, C.	Pellow	Schreiber	Waltman
Krueger	Nelson, K.	Pelowski	Seaberg	Weaver
Lasley	Neuenschwander	Peterson	Simoneau	Welle
Lieder	O'Connor	Price	Skoglund	Wenzel
Limmer	Ogren	Pugh	Solberg	Williams
Long	Olsen, S.	Quinn	Sparby	Winter
Macklin	Olson, E.	Redalen	Stanius	Wynia
Marsh	Olson, K.	Reding	Steensma	Spk. Vanasek
McDonald	Omann	Rest	Swenson	
McEachern	Onnen	Rice	Tjornhom	

The bill was passed and its title agreed to.

H. F. No. 907, A bill for an act relating to public safety; providing for authority to regulate pipelines; imposing penalties; amending Minnesota Statutes 1988, sections 116L.01, subdivision 3; 116L.05; 216D.01, subdivisions 9, 10, and by adding a subdivision; 299F.56, subdivisions 5 and 6a; 299F.57; 299F.59, subdivision 1; 299F.60; 299F.61; 299F.62; 299F.63; 299F.631; 299F.641; 299J.01; 299J.03, subdivision 2; 299J.04; 299J.05; 299J.06, subdivision 2; 299J.08; 299J.10; 299J.11; 299J.12; and 299J.16; proposing coding for new law in Minnesota Statutes, chapter 216D; repealing Minnesota Statutes 1988, section 299J.09.

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

The question was taken on the passage of the bill and the roll was called. There were 129 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Abrams	Dawkins	Jaros	McEachern	Osthoff
Anderson, G.	Dempsey	Jefferson	McGuire	Ostrom
Anderson, R.	Dille	Jennings	McLaughlin	Otis
Battaglia	Dorn	Johnson, A.	McPherson	Ozment
Bauerly	Forsythe	Johnson, R.	Milbert	Pappas
Beard	Frederick	Johnson, V.	Miller	Pauly
Bennett	Frerichs	Kalis	Morrison	Pellow
Bertram	Girard	Kelly	Munger	Pelowski
Bishop	Greenfield	Kelso	Murphy	Peterson
Blatz	Gruenes	Kinkel	Nelson, C.	Poppenhagen
Boo	Gutknecht	Knickerbocker	Nelson, K.	Price
Brown	Hartle	Kostohryz	Neuenschwander	Quinn
Burger	Hasskamp	Krueger	O'Connor	Redalen
Carlson, D.	Haukoos	Lasley	Ogren	Reding
Carlson, L.	Heap	Lieder	Olsen, S.	Rest
Carruthers	Henry	Limmer	Olson, E.	Rice
Clark	Himle	Long	Olson, K.	Richter
Conway	Hugoson	Macklin	Omann	Rodosovich
Cooper	Jacobs	Marsh	Onnen	Rukavina
Dauner	Janezich	McDonald	Orenstein	Runbeck

Sarna	Simoneau	Swenson	Valento	Wenzel
Schafer	Skoglund	Tjornhom	Vellenga	Williams
Scheid	Solberg	Tompkins	Wagenius	Winter
Schreiber	Stanius	Trimble	Waltman	Wynia
Seaberg	Steensma	Tunheim	Weaver	Spk. Vanasek
Segal	Sviggum	Uphus	Welle	

The bill was passed and its title agreed to.

H. F. No. 341 which was temporarily laid over earlier today was again reported to the House.

H. F. No. 341, A bill for an act relating to public safety; proposing the emergency planning and community right-to-know act; requiring reports on hazardous substances and chemicals; creating an emergency response commission; providing penalties; amending Minnesota Statutes 1988, section 609.671, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapter 299F.

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

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

Those who voted in the affirmative were:

Abrams	Frederick	Knickerbocker	Olson, K.	Scheid
Anderson, G.	Frerichs	Kostohryz	Omann	Schreiber
Anderson, R.	Girard	Krueger	Onnen	Seaberg
Battaglia	Greenfield	Lasley	Orenstein	Segal
Bauerly	Gruenes	Lieder	Osthoff	Simoneau
Beard	Gutknecht	Limmer	Ostrom	Skoglund
Begich	Hartle	Long	Otis	Solberg
Bennett	Hasskamp	Macklin	Ozment	Sparby
Bertram	Haukoos	Marsh	Pauly	Stanius
Bishop	Heap	McDonald	Pellow	Steensma
Blatz	Henry	McEachern	Pelowski	Sviggum
Boo	Himle	McGuire	Peterson	Swenson
Brown	Hugoson	McLaughlin	Poppenhagen	Tjornhom
Burger	Jacobs	McPherson	Price	Tompkins
Carlson, D.	Janezich	Milbert	Pugh	Trimble
Carlson, L.	Jaros	Miller	Quinn	Tunheim
Carruthers	Jefferson	Morrison	Redalen	Uphus
Clark	Jennings	Munger	Reding	Valento
Conway	Johnson, A.	Murphy	Rest	Vellenga
Cooper	Johnson, R.	Nelson, C.	Rice	Wagenius
Dauner	Johnson, V.	Nelson, K.	Richter	Waltman
Dawkins	Kahn	Neuenschwander	Rodosovich	Weaver
Dempsey	Kalis	O'Connor	Rukavina	Welle
Dille	Kelly	Ogren	Runbeck	Wenzel
Dorn	Kelso	Olsen, S.	Sarna	Williams
Forsythe	Kinkel	Olsen, E.	Schafer	Winter
				Wynia
				Spk. Vanasek

The bill was passed and its title agreed to.

H. F. No. 1046, A bill for an act relating to motor vehicles; setting fee for inspection of certain motor vehicles for which salvage certificate of title has been issued; amending Minnesota Statutes 1988, section 168A.152.

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	Ferichs	Krueger	Orenstein	Segal
Anderson, G.	Girard	Lasley	Osthoff	Simoneau
Anderson, R.	Greenfield	Lieder	Ostrom	Skoglund
Battaglia	Gruenes	Limmer	Otis	Solberg
Bauerly	Gutknecht	Long	Ozment	Sparby
Beard	Hartle	Macklin	Pappas	Stanius
Begich	Hasskamp	Marsh	Pauly	Steensma
Bennett	Haukoos	McDonald	Pellow	Svignum
Bertram	Heap	McEachern	Pelowski	Swenson
Bishop	Henry	McGuire	Peterson	Tjornhom
Blatz	Himle	McLaughlin	Poppenhagen	Tompkins
Boo	Hugoson	McPherson	Price	Trimble
Brown	Jacobs	Milbert	Pugh	Tunheim
Burger	Janezich	Miller	Quinn	Uphus
Carlson, D.	Jaros	Morrison	Redalen	Valento
Carlson, L.	Jefferson	Munger	Reding	Vellenga
Carruthers	Jennings	Murphy	Rest	Wagenius
Clark	Johnson, A.	Nelson, C.	Rice	Waltman
Conway	Johnson, R.	Nelson, K.	Richter	Weaver
Cooper	Johnson, V.	Neuenschwander	Rodosovich	Welle
Dauner	Kahn	O'Connor	Rukavina	Wenzel
Dawkins	Kalis	Ogren	Runbeck	Williams
Dempsey	Kelly	Olsen, S.	Sarna	Winter
Dille	Kelso	Olson, E.	Schafer	Wynia
Dorn	Kinkel	Olson, K.	Scheid	Spk. Vanasek
Forsythe	Knickerbocker	Omann	Schreiber	
Frederick	Kostohryz	Onnen	Seaberg	

The bill was passed and its title agreed to.

H. F. No. 1461, A bill for an act relating to drivers' licenses; appropriating money to the commissioner of public safety to improve driver license security and legibility.

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

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

Those who voted in the affirmative were:

Abrams	Anderson, G.	Anderson, R.	Battaglia	Bauerly
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Beard	Gutknecht	Limmer	Otis	Skoglund
Begich	Hartle	Long	Ozment	Solberg
Bennett	Hasskamp	Macklin	Pappas	Sparby
Bertram	Haukoos	Marsh	Pauly	Stanius
Bishop	Heap	McDonald	Pellow	Steensma
Blatz	Henry	McEachern	Pelowski	Sviggum
Boo	Himle	McGuire	Peterson	Swenson
Brown	Hugoson	McLaughlin	Poppenhagen	Tjornhom
Burger	Jacobs	McPherson	Price	Tompkins
Carlson, D.	Janezich	Milbert	Pugh	Trimble
Carlson, L.	Jaros	Miller	Quinn	Tunheim
Carruthers	Jefferson	Munger	Redalen	Uphus
Clark	Jennings	Murphy	Reding	Valento
Conway	Johnson, A.	Nelson, C.	Rest	Vellenga
Cooper	Johnson, R.	Nelson, K.	Rice	Wagenius
Dauner	Johnson, V.	Neuenschwander	Richter	Waltman
Dawkins	Kahn	O'Connor	Rodosovich	Weaver
Dempsey	Kahis	Ogren	Rukavina	Welle
Dille	Kelly	Olsen, S.	Runbeck	Wenzel
Dorn	Kelso	Olsen, E.	Sarna	Williams
Forsythe	Kinkel	Olson, K.	Schafer	Winter
Frederick	Knickerbocker	Omann	Scheid	Wynia
Frerichs	Kostohryz	Onnen	Schreiber	Spk. Vanasek
Girard	Krueger	Orenstein	Seaberg	
Greenfield	Lasley	Osthoff	Segal	
Gruenes	Lieder	Ostrom	Simoneau	

The bill was passed and its title agreed to.

S. F. No. 391, A bill for an act relating to civil actions; excluding certain structures from the limitation period provided by the uniform commercial code; amending Minnesota Statutes 1988, section 336.2-725.

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	Cooper	Hugoson	Limmer	Olsen, S.
Anderson, G.	Dauner	Jacobs	Long	Olson, E.
Anderson, R.	Dawkins	Janezich	Macklin	Olson, K.
Battaglia	Dempsey	Jaros	Marsh	Omann
Bauerly	Dille	Jefferson	McDonald	Onnen
Beard	Dorn	Jennings	McEachern	Orenstein
Begich	Forsythe	Johnson, A.	McGuire	Osthoff
Bennett	Frederick	Johnson, R.	McLaughlin	Ostrom
Bertram	Frerichs	Johnson, V.	McPherson	Otis
Bishop	Girard	Kahn	Milbert	Ozment
Blatz	Greenfield	Kahis	Miller	Pappas
Boo	Gruenes	Kelly	Morrison	Pauly
Brown	Gutknecht	Kelso	Munger	Pellow
Burger	Hartle	Kinkel	Murphy	Pelowski
Carlson, D.	Hasskamp	Knickerbocker	Nelson, C.	Peterson
Carlson, L.	Haukoos	Kostohryz	Nelson, K.	Poppenhagen
Carruthers	Heap	Krueger	Neuenschwander	Price
Clark	Henry	Lasley	O'Connor	Pugh
Conway	Himle	Lieder	Ogren	Quinn

Redalen	Sarna	Solberg	Trimble	Welle
Reding	Schafer	Sparby	Tunheim	Wenzel
Rest	Scheid	Stanius	Uphus	Williams
Rice	Schreiber	Steensma	Valento	Winter
Richter	Seaberg	Sviggum	Vellenga	Wynia
Rodosovich	Segal	Swenson	Wagenius	Spk. Vanasek
Rukavina	Simoneau	Tjornhom	Waltman	
Runbeck	Skoglund	Tompkins	Weaver	

The bill was passed and its title agreed to.

S. F. No. 829 was reported to the House.

Tjornhom moved that S. F. No. 829 be continued on Special Orders. The motion prevailed.

H. F. No. 1548, A bill for an act relating to financial institutions; regulating charges and fees on loans and extensions of credit by financial institutions and others; making various internal reference changes; amending Minnesota Statutes 1988, sections 51A.01; 51A.02, subdivision 14; 51A.38, subdivision 3; 51A.385, subdivisions 4, 5, 6, 7, 8, 9, 11, 12, and 13; 51A.51, subdivision 4; 51A.53; 51A.55, subdivisions 1 and 2; 51A.56; 51A.57; 56.131, subdivision 1; 168.72, subdivision 1; 168.73; and 507.45, subdivision 2.

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

The question was taken on the passage of the bill and the roll was called. There were 127 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Abrams	Dorn	Kelly	Ogren	Rodosovich
Anderson, G.	Forsythe	Kelso	Olsen, S.	Rukavina
Anderson, R.	Frederick	Kinkel	Olson, E.	Runbeck
Battaglia	Frerichs	Knickerbocker	Olson, K.	Schafer
Bauerly	Girard	Kostohryz	Omann	Scheid
Beard	Greenfield	Krueger	Onnen	Schreiber
Begich	Gruenes	Lasley	Orenstein	Seaberg
Bennett	Hartle	Lieder	Osthoff	Segal
Bertram	Hasskamp	Limmer	Ostrom	Simoneau
Bishop	Haukoos	Long	Otis	Solberg
Blatz	Heap	Macklin	Ozment	Sparby
Boo	Henry	Marsh	Pappas	Stanius
Brown	Himle	McDonald	Pauly	Steensma
Burger	Hugoson	McEachern	Pellow	Sviggum
Carlson, D.	Jacobs	McGuire	Pelowski	Swenson
Carlson, L.	Janezich	McPherson	Peterson	Tjornhom
Carruthers	Jaros	Milbert	Poppenhagen	Tompkins
Clark	Jefferson	Morrison	Price	Trimble
Conway	Jennings	Munger	Pugh	Tunheim
Cooper	Johnson, A.	Murphy	Quinn	Uphus
Dauner	Johnson, R.	Nelson, C.	Redalen	Valento
Dawkins	Johnson, V.	Nelson, K.	Reding	Vellenga
Dempsey	Kahn	Neuenschwander	Rest	Wagenius
Dille	Kalis	O'Connor	Richter	Waltman

Weaver
Welle

Wenzel
Williams

Winter
Wynia

Spk. Vanasek

The bill was passed and its title agreed to.

S. F. No. 1191, A bill for an act relating to political subdivisions; permitting participation in risk retention groups; amending Minnesota Statutes 1988, section 471.981, by adding a subdivision.

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

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

Those who voted in the affirmative were:

Abrams	Frederick	Knickerbocker	Olson, K.	Schafer
Anderson, G.	Frerichs	Kostohryz	Omann	Scheid
Anderson, R.	Girard	Krueger	Onnen	Schreiber
Battaglia	Greenfield	Lasley	Orenstein	Seaberg
Bauerly	Gruenes	Lieder	Osthoff	Skoglund
Beard	Gutknecht	Limmer	Ostrom	Solberg
Begich	Hartle	Long	Otis	Sparby
Bennett	Hasskamp	Macklin	Ozment	Stanius
Bertram	Haukoos	Marsh	Pappas	Steensma
Bishop	Heap	McDonald	Pauly	Sviggun
Blatz	Henry	McEachern	Pellow	Swenson
Boo	Himle	McGuire	Pelowski	Tjornhom
Brown	Hugoson	McLaughlin	Peterson	Tompkins
Burger	Jacobs	McPherson	Poppenhagen	Trimble
Carlson, D.	Janezich	Milbert	Price	Tunheim
Carlson, L.	Jaros	Miller	Pugh	Uphus
Carruthers	Jefferson	Morrison	Quinn	Valento
Clark	Jennings	Munger	Redalen	Vellenga
Conway	Johnson, A.	Murphy	Reding	Wagenius
Cooper	Johnson, R.	Nelson, C.	Rest	Waltman
Dauner	Johnson, V.	Nelson, K.	Rice	Weaver
Dawkins	Kahn	Neuenschwander	Richter	Welle
Dempsey	Kalis	O'Connor	Rodosovich	Wenzel
Dille	Kelly	Ogren	Rukavina	Williams
Dorn	Kelso	Olsen, S.	Runbeck	Winter
Forsythe	Kjinkel	Olson, E.	Sarna	Wynia
				Spk. Vanasek

The bill was passed and its title agreed to.

S. F. No. 339 was reported to the House.

Limmer moved to amend S. F. No. 339, as follows:

Page 1, line 23, delete "substances" and insert "hormones"

The motion prevailed and the amendment was adopted.

S. F. No. 339, A bill for an act relating to health; including anabolic steroids in the list of controlled substances; amending Minnesota Statutes 1988, section 152.02, subdivision 5.

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

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

Those who voted in the affirmative were:

Abrams	Frerichs	Krueger	Orenstein	Simoneau
Anderson, G.	Girard	Lasley	Osthoff	Skoglund
Anderson, R.	Greenfield	Lieder	Ostrom	Solberg
Battaglia	Gruenes	Limmer	Otis	Sparby
Bauerly	Gutknecht	Long	Ozment	Stanius
Beard	Hartle	Macklin	Pappas	Steensma
Begich	Hasskamp	Marsh	Pauly	Swiggum
Bennett	Haukoos	McDonald	Pellow	Swenson
Bertram	Heap	McEachern	Pelowski	Tjornhom
Bishop	Henry	McGuire	Peterson	Tompkins
Blatz	Himle	McLaughlin	Poppenhagen	Trimble
Boo	Hugoson	McPherson	Price	Tunheim
Brown	Jacobs	Milbert	Pugh	Uphus
Burger	Janezich	Miller	Quinn	Valento
Carlson, D.	Jaros	Morrison	Redalen	Vellenga
Carlson, L.	Jefferson	Munger	Reding	Wagenius
Carruthers	Jennings	Murphy	Rest	Waltman
Clark	Johnson, A.	Nelson, C.	Richter	Weaver
Conway	Johnson, R.	Nelson, K.	Rodosovich	Welle
Cooper	Johnson, V.	Neuenschwander	Rukavina	Wenzel
Dauner	Kahn	O'Connor	Runbeck	Williams
Dawkins	Kalis	Ogren	Sarna	Winter
Dempsey	Kelly	Olsen, S.	Schafer	Wynia
Dille	Kelso	Olson, E.	Scheid	Spk. Vanasek
Dorn	Kinkel	Olson, K.	Schreiber	
Forsythe	Knickerbocker	Omamn	Seaberg	
Frederick	Kostohryz	Onnen	Segal	

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

Speaker pro tempore Quinn called Redalen to the Chair.

H. F. No. 415, A bill for an act relating to agriculturally derived ethyl alcohol; clarifying eligibility for producer payments; defining terms; amending Minnesota Statutes 1988, section 41A.09, subdivisions 2 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 128 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Abrams	Frerichs	Kostohryz	Orenstein	Seaberg
Anderson, G.	Girard	Krueger	Osthoff	Segal
Anderson, R.	Greenfield	Lasley	Ostrom	Solberg
Battaglia	Gruenes	Lieder	Otis	Sparby
Bauerly	Gutknecht	Long	Ozment	Stanius
Beard	Hartle	Macklin	Pappas	Steensma
Begich	Hasskamp	Marsh	Pauly	Sviggum
Bennett	Haukoos	McDonald	Pellow	Swenson
Bertram	Heap	McEachern	Pelowski	Tjornhom
Bishop	Henry	McGuire	Peterson	Tompkins
Blatz	Himle	McLaughlin	Poppenhagen	Trimble
Boo	Hugoson	McPherson	Price	Tunheim
Brown	Jacobs	Milbert	Pugh	Uphus
Burger	Janezich	Miller	Quinn	Valento
Carlson, D.	Jaros	Morrison	Redalen	Vellenga
Carruthers	Jefferson	Munger	Reding	Wagenius
Clark	Jennings	Murphy	Rest	Waltman
Conway	Johnson, A.	Nelson, C.	Rice	Weaver
Cooper	Johnson, R.	Neuenschwander	Richter	Welle
Dauner	Johnson, V.	O'Connor	Rodosovich	Wenzel
Dawkins	Kahn	Ogren	Rukavina	Williams
Dempsey	Kalis	Olsen, S.	Runbeck	Winter
Dille	Kelly	Olson, E.	Sarna	Wynia
Dorn	Kelso	Olson, K.	Schafer	Spk. Vanasek
Forsythe	Kinkel	Omann	Scheid	
Frederick	Knickerbocker	Onnen	Schreiber	

The bill was passed and its title agreed to.

Speaker pro tempore Redalen called Quinn to the Chair.

There being no objection, the order of business reverted to Reports of Standing Committees.

REPORTS OF STANDING COMMITTEES

Wynia from the Committee on Rules and Legislative Administration to which was referred:

S. F. No. 783, A bill for an act relating to education; proposing a fifth year incentive plan for teachers in the Duluth school district.

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

The report was adopted.

GENERAL ORDERS

Rodosovich moved that the bills on General Orders for today be continued. The motion prevailed.

MOTIONS AND RESOLUTIONS

Hugoson moved that the name of Tjornhom be added as an author on H. F. No. 513. The motion prevailed.

Jaros moved that the name of Simoneau be added as an author on H. F. No. 872. The motion prevailed.

Blatz moved that H. F. No. 116 be returned to its author. The motion prevailed.

The Speaker resumed the Chair.

ADJOURNMENT

Wynia moved that when the House adjourns today it adjourn until 1:00 p.m., Thursday, May 11, 1989. The motion prevailed.

Wynia moved that the House adjourn. The motion prevailed, and the Speaker declared the House stands adjourned until 1:00 p.m., Thursday, May 11, 1989.

EDWARD A. BURDICK, Chief Clerk, House of Representatives

STATE OF MINNESOTA

SEVENTY-SIXTH SESSION — 1989

FIFTIETH DAY

SAINT PAUL, MINNESOTA, THURSDAY, MAY 11, 1989

The House of Representatives convened at 1:00 p.m. and was called to order by Robert E. Vanasek, Speaker of the House.

Prayer was offered by the Reverend Alma Simpson, Deacon of St. Andrew's Episcopal Church, Waterville, Minnesota.

The roll was called and the following members were present:

Abrams	Frederick	Kostohryz	Orenstein	Seaberg
Anderson, G.	Frerichs	Krueger	Osthoff	Segal
Anderson, R.	Girard	Lasley	Ostrom	Simoneau
Battaglia	Greenfield	Lieder	Otis	Skoglund
Bauerly	Gruenes	Limmer	Ozment	Solberg
Beard	Gutknecht	Long	Pappas	Sparby
Begich	Hartle	Lynch	Pauly	Stanius
Bennett	Hasskamp	Macklin	Pellow	Steensma
Bertram	Haukoos	Marsh	Pelowski	Sviggum
Bishop	Heap	McDonald	Peterson	Swenson
Blatz	Henry	McEachern	Poppenhagen	Tjornhom
Boo	Himle	McGuire	Price	Tompkins
Brown	Hugoson	McLaughlin	Pugh	Trimble
Bürger	Jacobs	McPherson	Quinn	Tunheim
Carlson, D.	Janezich	Milbert	Redalen	Uphus
Carlson, L.	Jaros	Miller	Reding	Valento
Carruthers	Jennings	Morrison	Rest	Vellenga
Clark	Johnson, A.	Munger	Rice	Wagenius
Conway	Johnson, R.	Murphy	Richter	Waltman
Cooper	Johnson, V.	Nelson, C.	Rodosovich	Weaver
Dauner	Kahn	Nelson, K.	Rukayina	Welle
Dawkins	Kalis	O'Connor	Rumbeck	Wenzel
Dempsey	Kelly	Olson, E.	Sarna	Williams
Dille	Kelso	Olson, K.	Schafer	Winter
Dorn	Kinkel	Omann	Scheid	Wynia
Forsythe	Knickerbocker	Onnen	Schreiber	Spk. Vanasek

A quorum was present.

Neuenschwander, Ogren and Olsen, S., were excused.

Jefferson was excused until 1:20 p.m.

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

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

REPORTS OF CHIEF CLERK

Pursuant to Rules of the House, printed copies of H. F. Nos. 988, 257, 357, 607, 624, 1143 and 1222 and S. F. Nos. 139, 736, 232, 353, 1020 and 852 have been placed in the members' files.

S. F. No. 232 and H. F. No. 127, which had been referred to the Chief Clerk for comparison, were examined and found to be identical with certain exceptions.

SUSPENSION OF RULES

Milbert moved that the rules be so far suspended that S. F. No. 232 be substituted for H. F. No. 127 and that the House File be indefinitely postponed. The motion prevailed.

S. F. No. 353 and H. F. No. 357, which had been referred to the Chief Clerk for comparison, were examined and found to be identical with certain exceptions.

SUSPENSION OF RULES

Jefferson moved that the rules be so far suspended that S. F. No. 353 be substituted for H. F. No. 357 and that the House File be indefinitely postponed. The motion prevailed.

S. F. No. 736 and H. F. No. 785, which had been referred to the Chief Clerk for comparison, were examined and found to be identical with certain exceptions.

SUSPENSION OF RULES

Lieder moved that the rules be so far suspended that S. F. No. 736 be substituted for H. F. No. 785 and that the House File be indefinitely postponed. The motion prevailed.

REPORTS OF STANDING COMMITTEES

Long from the Committee on Taxes to which was referred:

H. F. No. 1410, A bill for an act relating to local government;

providing procedures for the establishment of certain medical facilities in Cook county.

Reported the same back with the following amendments:

Amend the title as follows:

Page 1, line 4, delete "Cook county" and insert "Lake and Cook counties"

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

The report was adopted.

Wynia from the Committee on Rules and Legislative Administration to which was referred:

House Resolution No. 10, A house resolution designating September 24, 1989, as United States Marshals Bicentennial Day.

Reported the same back with the recommendation that the resolution be adopted.

The report was adopted.

SECOND READING OF HOUSE BILLS

H. F. No. 1410 was read for the second time.

SECOND READING OF SENATE BILLS

S. F. Nos. 232, 353 and 736 were read for the second time.

INTRODUCTION AND FIRST READING OF HOUSE BILLS

The following House File was introduced:

Murphy introduced:

H. F. No. 1763, A bill for an act relating to taxation; extending the duration of a property tax exemption for land held for economic

development by the city of Hermantown; amending Laws 1988, chapter 719, article 19, section 31.

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

MESSAGES FROM THE SENATE

The following messages were received from the Senate:

Mr. Speaker:

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

H. F. No. 472, A bill for an act relating to transportation; motor carriers; increasing maximum length of certain semitrailers; defining mobile cranes and providing for their maximum length; requiring a highway cost allocation study; amending Minnesota Statutes 1988, sections 169.01, by adding a subdivision; 169.81, subdivision 2; and 169.86, subdivision 5.

The Senate has appointed as such committee:

Messrs. Purfeerst, Frederick and DeCramer.

Said House File is herewith returned to the House.

PATRICK E. FLAHAVEN, Secretary of the Senate

Mr. Speaker:

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

H. F. No. 654, A bill for an act relating to education; providing for general education revenue, transportation, special programs, community education, school facilities and equipment, education organization and cooperation, access to education excellence, school breakfast programs, sexual harassment and violence policies, parental involvement programs, libraries, state education agencies and education agency services, providing for limits on open enrollment and post-secondary options; appropriating money; amending Minnesota Statutes 1988, sections 43A.08, subdivision 1a; 120.06, by adding a subdivision; 120.062, subdivisions 4, 6, and by adding a subdivision; 120.17, subdivisions 3, 3b, and by adding a subdivision; 121.88, subdivisions 2 and 5; 121.882, subdivisions 2 and 4; 121.904, subdivision 4a; 121.908, subdivision 5; 121.912, subdivision 1; 121.935, subdivision 6; 122.23, by adding a subdivision; 122.43,

subdivision 1; 122.532, subdivision 4; 122.541, subdivision 5; 122.91; 122.92; 122.93, subdivision 2, and by adding subdivisions; 122.94, subdivision 1, and by adding a subdivision; 122.95, subdivision 2, and by adding a subdivision; 123.3514, subdivisions 2, 4, 4c, 5, 7, and 10; 123.39, by adding a subdivision; 123.58, subdivision 9, and by adding a subdivision; 123.702, subdivisions 1, 1a, 2, 3, 4, and by adding subdivisions; 123.703, by adding subdivisions; 123.705, subdivision 1, and by adding a subdivision; 124.17, subdivision 1b; 124.19, subdivision 5; 124.195, subdivision 8; 124.2131, subdivision 1; 124.223; 124.225; 124.243, subdivision 3, and by adding a subdivision; 124.244, subdivision 2; 124.245, subdivision 3b; 124.26, subdivisions 1c, 7, and by adding a subdivision; 124.261; 124.271, by adding subdivisions; 124.2711, subdivisions 1, 3, 4, and by adding a subdivision; 124.2721; 124.273, subdivisions 1b, 4, 5, 7, and by adding a subdivision; 124.32, subdivisions 1b, 1d, and by adding a subdivision; 124.38, subdivision 7; 124.43, subdivision 1, and by adding a subdivision; 124.494, subdivision 2; 124.573, subdivision 2b, and by adding subdivisions; 124.574, subdivisions 1, 4, and 5; 124.575, subdivision 3; 124.82, subdivision 3; 124.83, subdivisions 3, 4, and 6; 124A.02, by adding a subdivision; 124A.03, subdivision 2; 124A.035, subdivisions 2 and 4; 124A.036, by adding a subdivision; 124A.22, subdivisions 2, 4, and 9; 124A.23, subdivision 1; 124A.28, subdivision 1; 124A.31; 126.151, subdivision 2; 126.23; 126.56, subdivision 4, and by adding a subdivision; 126.67, subdivision 8; 128A.09; 129.121, by adding a subdivision; 129C.10; 134.33, subdivision 1; 134.34, subdivisions 1, 2, 3, and 4; 134.35, subdivision 5; 136D.27, subdivision 1; 136D.74, subdivision 2; 136D.87, subdivision 1; 141.35; 273.1102, subdivision 3; 275.011, subdivision 1; 275.125, subdivisions 5, 5b, 5c, 5e, 6e, 6h, 6i, 8, 8b, 8c, 8e, 9, 9a, 9b, 9c, 11d, 14a, and by adding a subdivision; 354.094, subdivisions 1 and 2; 354.66, subdivision 4; 354A.091, subdivisions 1 and 2; 354A.094, subdivision 4; and 363.06, subdivision 3; Laws 1965, chapter 705, as amended; Laws 1976, chapter 20, section 4; Laws 1988, chapter 718, article 7, section 61, subdivisions 1, 2, and 3; chapter 719, article 5, section 84; proposing coding for new law in Minnesota Statutes, chapters 122; 124; 124A; 126; 127; 275; and 363; repealing Minnesota Statutes 1988, sections 120.062, subdivision 8; 123.702, subdivisions 1a, 5, 6, and 7; 124.217; 124.243, subdivision 4; 124.271, subdivision 26; 129B.11; 129B.48; 134.33, subdivision 1; 134.34, subdivision 5; and 275.125, subdivision 6f; Laws 1988, chapter 718, article 5, section 4.

The Senate has appointed as such committee:

Mr. Peterson, R. W.; Ms. Peterson, D. C.; Messrs. Pehler; De-Cramer and Hughes.

Said House File is herewith returned to the House.

PATRICK E. FLAHAVEN, Secretary of the Senate

Mr. Speaker:

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

H. F. No. 700, A bill for an act relating to crimes; increasing penalties for certain crimes when committed because of the victim's or another's actual or perceived race, color, religion, sex, sexual orientation, disability, age, political affiliation, membership or lack of membership in a labor union, or national origin; increasing penalties for using the mail or making telephone calls and falsely impersonating another for the purpose of harassing, abusing, or threatening another person; amending Minnesota Statutes 1988, sections 609.2231, by adding a subdivision; 609.595, subdivisions 2, 3, and by adding a subdivision; 609.605, by adding a subdivision; 609.746, by adding a subdivision; 609.79, by adding a subdivision; and 609.795.

The Senate has appointed as such committee:

Ms. Berglin; Messrs. Spear and Knutson.

Said House File is herewith returned to the House.

PATRICK E. FLAHAVERN, Secretary of the Senate

Mr. Speaker:

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

H. F. No. 729, A bill for an act relating to marriage dissolution; requiring courts to consider the existence of domestic abuse in determining whether to award joint custody; providing for the appointment of visitation expeditors to resolve ongoing visitation disputes; providing for visitation by persons who have resided with a child; providing that either parent may request visitation rights on behalf of the child; requiring the court to restrict or modify visitation under certain circumstances; permitting agreements about modification of maintenance; amending Minnesota Statutes 1988, sections 257.022, by adding a subdivision; 518.17, subdivision 2; 518.175, subdivisions 1 and 5; 518.552, by adding a subdivision; and 518.58, subdivision 1; proposing coding for new law in Minnesota Statutes, chapter 518.

The Senate has appointed as such committee:

Messrs. Spear, Luther, Cohen, Stumpf and Laidig.

Said House File is herewith returned to the House.

PATRICK E. FLAHAVEN, Secretary of the Senate

Mr. Speaker:

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

H. F. No. 831, A bill for an act relating to game and fish; Mom Fishing Weekend; season opening date for certain game fish; amending Minnesota Statutes 1988, sections 97A.445, by adding a subdivision; and 97C.395, subdivision 1.

The Senate has appointed as such committee:

Messrs. Vickerman, Lessard and Laidig.

Said House File is herewith returned to the House.

PATRICK E. FLAHAVEN, Secretary of the Senate

Mr. Speaker:

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

H. F. No. 1267, A bill for an act relating to Anoka county; permitting the appointment of the auditor, recorder, and treasurer; authorizing the reorganization of county offices.

The Senate has appointed as such committee:

Messrs. Frank, Merriam and Peterson, R. W.

Said House File is herewith returned to the House.

PATRICK E. FLAHAVEN, Secretary of the Senate

Mr. Speaker:

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

H. F. No. 1423, A bill for an act relating to nursing home admission agreements; prohibiting use of blanket waivers of liabil-

ity by continuing care facilities and nursing homes; requiring nursing home admission agreements to be available to the public and clarifying that such agreements are consumer contracts; prohibiting nursing homes from requiring third party guarantors; requiring nursing homes to identify their status as public benefits providers; prohibiting use of blanket consents for treatment; requiring written acknowledgment that residents have received a copy of the patients' bill of rights; providing penalties; requiring a facility fee payment to enrolled hospitals for certain emergency room or clinic visits; amending Minnesota Statutes 1988, section 80D.04, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapters 144; and 256B.

The Senate has appointed as such committee:

Mrs. Lantry, Ms. Berglin and Mrs. Brataas.

Said House File is herewith returned to the House.

PATRICK E. FLAHAVEN, Secretary of the Senate

Mr. Speaker:

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

H. F. No. 1435, A bill for an act relating to liquor; authorizing issuance of a certain on-sale license in Todd county.

The Senate has appointed as such committee:

Messrs. Anderson, Frederickson, D. J., and Berg.

Said House File is herewith returned to the House.

PATRICK E. FLAHAVEN, Secretary of the Senate

Mr. Speaker:

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

H. F. No. 1506, A bill for an act relating to commerce; regulating certain rentals of real property, membership camping practices, and subdivided land sales; amending Minnesota Statutes 1988, sections 82A.02, by adding a subdivision; 82A.04, subdivision 2; 82A.13, subdivision 2; 83.20, by adding a subdivision; and 83.30, subdivision 1.

The Senate has appointed as such committee:

Messrs. Solon, Metzen and Anderson.

Said House File is herewith returned to the House.

PATRICK E. FLAHAVEN, Secretary of the Senate

Mr. Speaker:

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

H. F. No. 1530, A bill for an act relating to commerce; regulating business relations between manufacturers of heavy and utility equipment and independent retail dealers of those products; proposing coding for new law in Minnesota Statutes, chapter 325E.

The Senate has appointed as such committee:

Messrs. Schmitz, Taylor and Frederickson, D. J.

Said House File is herewith returned to the House.

PATRICK E. FLAHAVEN, Secretary of the Senate

Mr. Speaker:

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

H. F. No. 1285, A bill for an act relating to health insurance; changing coverage and administrative procedures relating to the comprehensive health insurance plan; requiring a report; amending Minnesota Statutes 1988, sections 62E.10, subdivisions 2a, 7, and 9; and 62E.12.

PATRICK E. FLAHAVEN, Secretary of the Senate

Skoglund moved that the House refuse to concur in the Senate amendments to H. F. No. 1285, that the Speaker appoint a Conference Committee of 3 members of the House, and that the House requests that a like committee be appointed by the Senate to confer on the disagreeing votes of the two houses. The motion prevailed.

Mr. Speaker:

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

H. F. No. 811, A bill for an act relating to natural resources; changing certain provisions relating to the taking of turtles; amending Minnesota Statutes 1988, sections 97A.475, subdivision 41; 97C.605, subdivisions 2 and 3; and 97C.611; repealing Minnesota Statutes 1988, section 97C.615.

PATRICK E. FLAHAVER, Secretary of the Senate

Pugh moved that the House refuse to concur in the Senate amendments to H. F. No. 811, that the Speaker appoint a Conference Committee of 3 members of the House, and that the House requests that a like committee be appointed by the Senate to confer on the disagreeing votes of the two houses. The motion prevailed.

Mr. Speaker:

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

H. F. No. 193, A bill for an act relating to crimes; providing that an offender may not demand execution of sentence except under certain circumstances; requiring the board of pardons to meet at least twice each year; amending Minnesota Statutes 1988, sections 609.135, by adding a subdivision; and 638.04.

PATRICK E. FLAHAVER, Secretary of the Senate

Carruthers moved that the House refuse to concur in the Senate amendments to H. F. No. 193, that the Speaker appoint a Conference Committee of 3 members of the House, and that the House requests that a like committee be appointed by the Senate to confer on the disagreeing votes of the two houses. The motion prevailed.

Mr. Speaker:

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

H. F. No. 412, A bill for an act relating to education; changing the definitions of teachers and of supervisory and support personnel for

the purpose of licensure; changing the kinds of personnel licensed by the board of teaching and the state board of education; changing the composition of the board of teaching; providing for teacher performance effectiveness plans; amending Minnesota Statutes 1988, sections 125.03, subdivisions 1 and 4; 125.05, subdivisions 1 and 2; 125.08; and 125.183, subdivisions 1 and 3; proposing coding for new law in Minnesota Statutes, chapter 125.

PATRICK E. FLAHAVEN, Secretary of the Senate

McEachern moved that the House refuse to concur in the Senate amendments to H. F. No. 412, that the Speaker appoint a Conference Committee of 3 members of the House, and that the House requests that a like committee be appointed by the Senate to confer on the disagreeing votes of the two houses. The motion prevailed.

Mr. Speaker:

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

H. F. No. 1016, A bill for an act relating to juvenile justice; authorizing the juvenile court to place juvenile alcohol or controlled substance offenders on probation; authorizing the juvenile court to require the commissioner of public safety to revoke the driver's license or permit of habitual petty offenders or to deny driving privileges to them if they do not have a license or permit; removing certain limitations on parental liability for thefts by minors; removing a repealer; amending Minnesota Statutes 1988, sections 171.04; 260.195, subdivision 3; and by adding subdivisions; and 332.51, subdivision 3; repealing Laws 1985, chapter 278, section 2.

PATRICK E. FLAHAVEN, Secretary of the Senate

Morrison moved that the House refuse to concur in the Senate amendments to H. F. No. 1016, that the Speaker appoint a Conference Committee of 3 members of the House, and that the House requests that a like committee be appointed by the Senate to confer on the disagreeing votes of the two houses. The motion prevailed.

Mr. Speaker:

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

S. F. No. 180, A bill for an act relating to the office of the secretary of state; establishing a procedure for contesting the registration of a corporation, limited partnership, or assumed name, or a trade or

service mark with the secretary of state; providing that the office of the secretary of state is not liable for registrations; amending Minnesota Statutes 1988, sections 300.025; 302A.115, by adding a subdivision; 303.05, by adding a subdivision; 308.06, by adding a subdivision; 317.09, by adding a subdivision; 322A.02; 322A.72; 1989 S.F. No. 525, section 12, by adding a subdivision; S.F. No. 848, article 1, section 8, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapter 5.

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

Messrs. Beckman; Frederickson, D. J., and Ms. Piper.

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

PATRICK E. FLAHAVEN, Secretary of the Senate

Hugoson moved that the House accede to the request of the Senate and that the Speaker appoint a Conference Committee of 3 members of the House to meet with a like committee appointed by the Senate on the disagreeing votes of the two houses on S. F. No. 180. The motion prevailed.

Mr. Speaker:

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

H. F. No. 268, A bill for an act relating to commerce; regulating burglar alarm franchises; amending Minnesota Statutes 1988, section 80C.30.

PATRICK E. FLAHAVEN, Secretary of the Senate

CONCURRENCE AND REPASSAGE

Segal moved that the House concur in the Senate amendments to H. F. No. 268 and that the bill be repassed as amended by the Senate. The motion prevailed.

H. F. No. 268, A bill for an act relating to commerce; clarifying legislative intent regarding unfair practices under a franchise agreement; amending Minnesota Statutes 1988, sections 80C.14, subdivision 1; and 80C.21.

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

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

Those who voted in the affirmative were:

Abrams	Frederick	Kostohryz	Orenstein	Seaberg
Anderson, G.	Frerichs	Krueger	Osthoff	Segal
Anderson, R.	Girard	Lasley	Ostrom	Simoneau
Battaglia	Greenfield	Lieder	Otis	Skoglund
Bauerly	Gruenes	Limmer	Ozment	Solberg
Beard	Gutknecht	Long	Pappas	Sparby
Begich	Hartle	Lynch	Pauly	Stanias
Bennett	Hasskamp	Macklin	Pellow	Steensma
Bertram	Haukoos	Marsh	Pelowski	Sviggum
Bishop	Heap	McDonald	Peterson	Swenson
Blatz	Henry	McEachern	Poppenhagen	Tjornhom
Boo	Himle	McGuire	Price	Tompkins
Brown	Hugoson	McLaughlin	Pugh	Trimble
Burger	Jacobs	McPherson	Quinn	Tunheim
Carlson, D.	Janezich	Milbert	Redalen	Uphus
Carlson, L.	Jaros	Miller	Reding	Valento
Carruthers	Jennings	Morrison	Rest	Vellenga
Clark	Johnson, A.	Munger	Rice	Wagenius
Conway	Johnson, R.	Murphy	Richter	Waltman
Cooper	Johnson, V.	Nelson, C.	Rodosovich	Weaver
Dauner	Kahn	Nelson, K.	Rukavina	Welle
Dawkins	Kalis	O'Connor	Rumbeck	Wenzel
Dempsey	Kelly	Olson, E.	Sarna	Williams
Dille	Kelso	Olson, K.	Schafer	Winter
Dorn	Kinkel	Omamn	Scheid	Wynia
Forsythe	Knickerbocker	Ommen	Schreiber	Spk. Vanasek

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

Mr. Speaker:

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

H. F. No. 862, A bill for an act relating to statutes; revising the text of certain laws to remove redundant and obsolete language, to simplify grammar and syntax, and to improve the style of language without causing changes in the meaning of the laws; amending Minnesota Statutes 1988, chapters 226; 230; 233; 234; 235; 236; and 366, as amended.

PATRICK E. FLAHAVEN, Secretary of the Senate

CONCURRENCE AND REPASSAGE

Pugh moved that the House concur in the Senate amendments to

H. F. No. 862 and that the bill be repassed as amended by the Senate. The motion prevailed.

H. F. No. 862, A bill for an act relating to statutes; revising the text of certain laws to remove redundant and obsolete language, to simplify grammar and syntax, and to improve the style of language without causing changes in the meaning of the laws; amending Minnesota Statutes 1988, chapters 226; 230; 233; 234; 235; 236; and 366, as amended.

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 128 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Abrams	Frederick	Kostohryz	Orenstein	Segal
Anderson, G.	Frerichs	Krueger	Osthoff	Simoneau
Anderson, R.	Girard	Lasley	Ostrom	Skoglund
Battaglia	Greenfield	Lieder	Otis	Solberg
Bauerly	Gruenes	Limmer	Ozment	Sparby
Beard	Gutknecht	Long	Pappas	Stanius
Begich	Hartle	Lynch	Pauly	Steensma
Bennett	Hasskamp	Macklin	Pellow	Sviggum
Bertram	Haukoos	Marsh	Pelowski	Swenson
Bishop	Heap	McDonald	Peterson	Tjornhom
Blatz	Henry	McEachern	Poppenhagen	Tompkins
Boo	Himle	McGuire	Price	Trimble
Brown	Hugoson	McLaughlin	Pugh	Tunheim
Burger	Jacobs	McPherson	Quinn	Uphus
Carlson, D.	Janezich	Milbert	Redalen	Valento
Carlson, L.	Jaros	Miller	Reding	Vellenga
Carruthers	Jennings	Morrison	Rest	Waltman
Clark	Johnson, A.	Munger	Rice	Weaver
Conway	Johnson, R.	Murphy	Richter	Welle
Cooper	Johnson, V.	Nelson, C.	Rodosovich	Wenzel
Dauner	Kahn	Nelson, K.	Rukavina	Williams
Dawkins	Kalis	O'Connor	Sarna	Winter
Dempsey	Kelly	Olson, E.	Schafer	Wynia
Dille	Kelso	Olson, K.	Scheid	Spk. Vanasek
Dorn	Kinkel	Omann	Schreiber	
Forsythe	Knickerbocker	Onnen	Seaberg	

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

REPORT FROM THE COMMITTEE ON RULES AND
LEGISLATIVE ADMINISTRATION

Wynia, from the Committee on Rules and Legislative Administration, pursuant to House Rule No. 1.9, designated the following bills

as Special Orders to be acted upon immediately following Special Orders pending for today, Thursday, May 11, 1989:

S. F. Nos. 1105, 811 and 1358; H. F. No. 1448; S. F. No. 1039; H. F. No. 1143; S. F. No. 1502; H. F. Nos. 1137 and 607; S. F. Nos. 1498 and 1020; H. F. Nos. 257 and 982; and S. F. No. 535.

The following Conference Committee Report was received:

CONFERENCE COMMITTEE REPORT ON H. F. NO. 527

A bill for an act relating to state parks; requiring collection facilities for recycling containers in state parks; proposing coding for new law in Minnesota Statutes, chapter 85.

May 8, 1989

The Honorable Robert E. Vanasek
Speaker of the House of Representatives

The Honorable Jerome M. Hughes
President of the Senate

We, the undersigned conferees for H. F. No. 527, 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. 527 be further amended as follows:

Page 1, line 17, after "must" insert "where practicable"

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

House Conferees: WESLEY J. SKOGLUND, STEVE TRIMBLE AND TERESA LYNCH.

Senate Conferees: TRACY L. BECKMAN, PAT PIPER AND DAVID J. FREDERICKSON.

Skoglund moved that the report of the Conference Committee on H. F. No. 527 be adopted and that the bill be repassed as amended by the Conference Committee. The motion prevailed.

H. F. No. 527, A bill for an act relating to state parks; requiring

collection facilities for recycling containers in state parks; proposing coding for new law in Minnesota Statutes, chapter 85.

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

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

Those who voted in the affirmative were:

Abrams	Frederick	Kostohryz	Orenstein	Seaberg
Anderson, G.	Frerichs	Krueger	Osthoff	Segal
Anderson, R.	Girard	Lasley	Ostrom	Simoneau
Battaglia	Greenfield	Lieder	Otis	Skoglund
Bauerly	Gruenes	Limmer	Ozment	Solberg
Beard	Gutknecht	Long	Pappas	Sparby
Begich	Hartle	Lynch	Pauly	Stanius
Bennett	Hasskamp	Macklin	Pellow	Steensma
Bertram	Haukoos	Marsh	Pelowski	Sviggum
Bishop	Heap	McDonald	Peterson	Swenson
Blatz	Henry	McEachern	Poppenhagen	Tjornhom
Boo	Himle	McGuire	Price	Tompkins
Brown	Hugoson	McLaughlin	Pugh	Trimble
Burger	Jacobs	McPherson	Quinn	Tunheim
Carlson, D.	Janezich	Milbert	Redalen	Uphus
Carlson, L.	Jaros	Miller	Reding	Valento
Carruthers	Jefferson	Morrison	Rest	Vellenga
Clark	Jennings	Munger	Rice	Wagenius
Conway	Johnson, A.	Murphy	Richter	Waltman
Cooper	Johnson, R.	Nelson, C.	Rodosovich	Weaver
Dauner	Johnson, V.	Nelson, K.	Rukavina	Welle
Dawkins	Kalis	O'Connor	Runbeck	Wenzel
Dempsey	Kelly	Olson, E.	Sarna	Williams
Dille	Kelso	Olson, K.	Schafer	Winter
Dorn	Kinkel	Omam	Scheid	Wynia
Forsythe	Knickerbocker	Onnen	Schreiber	Spk. Vanasek

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

SPECIAL ORDERS

H. F. No. 1636 was reported to the House.

McEachern moved that H. F. No. 1636 be continued on Special Orders. The motion prevailed.

S. F. No. 723, A bill for an act relating to occupations and professions; regulating nursing; proposing the Minnesota nurse practice act; providing penalties; amending Minnesota Statutes 1988, sections 144A.43, subdivision 3; 145A.02, subdivision 18; 148.171; 148.181; 148.191; 148.211; 148.231; 148.241; 148.251;

148.261; 148.271; 148.281; 148.283; and 319A.02, subdivision 2; proposing coding for new law in Minnesota Statutes, chapter 148; repealing Minnesota Statutes 1988, sections 145A.06, subdivision 3; 148.191, subdivision 3; 148.221; 148.251, subdivision 2; 148.261, subdivision 3; 148.272; 148.281, subdivision 1a; 148.286; 148.29; 148.291; 148.292; 148.293; 148.294; 148.295; 148.296; 148.297; 148.298; and 148.299.

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	Frerichs	Kostohryz	Osthoff	Segal
Anderson, G.	Girard	Krueger	Ostrom	Simoneau
Anderson, R.	Greenfield	Lasley	Otis	Skoglund
Battaglia	Gruenes	Lieder	Ozment	Solberg
Bauerly	Gutknecht	Limmer	Pappas	Sparby
Beard	Hartle	Long	Pauly	Stanius
Begich	Hasskamp	Lynch	Pellow	Steenma
Bennett	Haukoos	Macklin	Pelowski	Svigum
Bertram	Heap	Marsh	Peterson	Swenson
Bishop	Henry	McDonald	Poppenhagen	Tjornhom
Blatz	Himle	McEachern	Price	Tompkins
Boo	Hugoson	McGuire	Pugh	Trimble
Brown	Jacobs	McLaughlin	Quinn	Tunheim
Carlson, D.	Janezich	McPherson	Redalen	Uphus
Carlson, L.	Jaros	Milbert	Reding	Valento
Carruthers	Jefferson	Miller	Rest	Vellenga
Clark	Jennings	Munger	Rice	Wagenius
Conway	Johnson, A.	Murphy	Richter	Waltman
Cooper	Johnson, R.	Nelson, C.	Rodosovich	Weaver
Dauner	Johnson, V.	Nelson, K.	Rukavina	Welle
Dawkins	Kahn	O'Connor	Runbeck	Wenzel
Dempsey	Kalis	Olson, E.	Sarna	Williams
Dille	Kelly	Olson, K.	Schafer	Winter
Dorn	Kelso	Omann	Scheid	Wynia
Forsythe	Kinkel	Onnen	Schreiber	Spk. Vanasek
Frederick	Knickerbocker	Orenstein	Seaberg	

The bill was passed and its title agreed to.

S. F. No. 829, A bill for an act relating to insurance; prohibiting insurers from maintaining subrogation actions against insureds; proposing coding for new law in Minnesota Statutes, chapter 60A.

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	Frederick	Kostohryz	Orenstein	Seaberg
Anderson, G.	Frerichs	Krueger	Osthoff	Segal
Anderson, R.	Girard	Lasley	Ostrom	Simoneau
Battaglia	Greenfield	Lieder	Otis	Skoglund
Bauerly	Gruenes	Limmer	Ozment	Solberg
Beard	Gutknecht	Long	Pappas	Sparby
Begich	Hartle	Lynch	Pauly	Stanius
Bennett	Hasskamp	Macklin	Pellow	Steensma
Bertram	Haukoos	Marsh	Pelowski	Sviggum
Bishop	Heap	McDonald	Peterson	Swenson
Blatz	Henry	McEachern	Poppenhagen	Tjornhom
Boo	Hugoson	McGuire	Price	Tompkins
Brown	Jacobs	McLaughlin	Pugh	Trimble
Burger	Janezich	McPherson	Quinn	Tunheim
Carlson, D.	Jaros	Milbert	Redalen	Uphus
Carlson, L.	Jefferson	Miller	Reding	Valento
Carruthers	Jennings	Morrison	Rest	Vellenga
Clark	Johnson, A.	Munger	Rice	Wagenius
Conway	Johnson, R.	Murphy	Richter	Waltman
Cooper	Johnson, V.	Nelson, C.	Rodosovich	Weaver
Dauner	Kahn	Nelson, K.	Rukavina	Welle
Dawkins	Kalis	O'Connor	Rumbeck	Wenzel
Dempsey	Kelly	Olson, E.	Sarna	Williams
Dille	Kelso	Olson, K.	Schafer	Winter
Dorn	Kinkel	Omann	Scheid	Wynia
Forsythe	Knickerbocker	Onnen	Schreiber	Spk. Vanasek

The bill was passed and its title agreed to.

S. F. No. 1105, A bill for an act relating to motor vehicles; providing for suspension of apportioned license plates and fuel tax compact licenses for certain interstate vehicle fleet owners who are delinquent in required filings or payments; providing for installment payments by interstate fleet owners; amending Minnesota Statutes 1988, sections 168.187, by adding a subdivision; and 168.31, subdivision 4, and by adding a subdivision.

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

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

Those who voted in the affirmative were:

Abrams	Carlson, L.	Gruenes	Johnson, R.	Macklin
Anderson, G.	Carruthers	Gutknecht	Johnson, V.	Marsh
Anderson, R.	Clark	Hartle	Kahn	McDonald
Battaglia	Conway	Hasskamp	Kalis	McEachern
Bauerly	Cooper	Haukoos	Kelly	McGuire
Beard	Dauner	Heap	Kelso	McLaughlin
Begich	Dawkins	Henry	Kinkel	McPherson
Bennett	Dempsey	Himle	Knickerbocker	Millbert
Bertram	Dille	Hugoson	Kostohryz	Miller
Bishop	Dorn	Jacobs	Krueger	Morrison
Blatz	Forsythe	Janezich	Lasley	Munger
Boo	Frederick	Jaros	Lieder	Murphy
Brown	Frerichs	Jefferson	Limmer	Nelson, C.
Burger	Girard	Jennings	Long	Nelson, K.
Carlson, D.	Greenfield	Johnson, A.	Lynch	O'Connor

Olson, E.	Pelowski	Rukavina	Stanius	Waltman
Olson, K.	Peterson	Runbeck	Steensma	Weaver
Omann	Poppenhagen	Sarna	Sviggum	Welle
Onnen	Price	Schafer	Swenson	Wenzel
Orenstein	Pugh	Scheid	Tjornhom	Williams
Osthoff	Quinn	Schreiber	Tompkins	Winter
Ostrom	Redalen	Seaberg	Trimble	Wynia
Otis	Reding	Segal	Tunheim	Spk. Vanasek
Ozment	Rest	Simoneau	Uphus	
Pappas	Rice	Skoglund	Valento	
Pauly	Richter	Solberg	Vellenga	
Pellow	Rodosovich	Sparby	Wagenius	

The bill was passed and its title agreed to.

S. F. No. 811, A bill for an act relating to local government; expanding the purpose for the use of certain dedicated cash payments under the municipal planning law; amending Minnesota Statutes 1988, section 462.358, subdivision 2b.

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

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

Those who voted in the affirmative were:

Abrams	Frederick	Knickerbocker	Onnen	Schreiber
Anderson, G.	Frerichs	Kostohryz	Orenstein	Seaberg
Anderson, R.	Girard	Krueger	Osthoff	Segal
Battaglia	Greenfield	Lasley	Ostrom	Simoneau
Bauerly	Gruenes	Lieder	Otis	Skoglund
Beard	Gutknecht	Limmer	Ozment	Solberg
Begich	Hartle	Long	Pappas	Sparby
Bennett	Hasskamp	Lynch	Pauly	Stanius
Bertram	Haukoos	Macklin	Pellow	Steensma
Bishop	Heap	Marsh	Pelowski	Sviggum
Blatz	Henry	McDonald	Peterson	Swenson
Boo	Himle	McEachern	Poppenhagen	Tjornhom
Brown	Hugoson	McGuire	Price	Tompkins
Burger	Jacobs	McLaughlin	Pugh	Trimble
Carlson, D.	Janezich	McPherson	Quinn	Tunheim
Carlson, L.	Jaros	Milbert	Redalen	Uphus
Carruthers	Jefferson	Miller	Reding	Valento
Clark	Jennings	Morrison	Rest	Vellenga
Conway	Johnson, A.	Munger	Rice	Wagenius
Cooper	Johnson, R.	Murphy	Richter	Waltman
Dauner	Johnson, V.	Nelson, C.	Rodosovich	Weaver
Dawkins	Kahn	Nelson, K.	Rukavina	Welle
Dempsey	Kalis	O'Connor	Runbeck	Wenzel
Dille	Kelly	Olson, E.	Sarna	Williams
Dorn	Kelso	Olson, K.	Schafer	Winter
Forsythe	Kinkel	Omann	Scheid	Wynia
				Spk. Vanasek

The bill was passed and its title agreed to.

Wynia moved that the House recess subject to the call of the Chair. The motion prevailed.

RECESS

RECONVENED

The House reconvened and was called to order by the Speaker.

SPECIAL ORDERS, Continued

S. F. No. 1358 was reported to the House.

Wynia moved to amend S. F. No. 1358, as follows:

Delete everything after the enacting clause and insert:

“Section 1. [473.155] [AVIATION PLANNING.]

Subdivision 1. [AVIATION PLANNING ASSESSMENT.] By February 15 of each year, the council shall prepare a long-range assessment of air transportation trends and factors that may affect major airport development in the metropolitan area for a prospective 30-year period. The council shall involve the airports commission in preparing the assessment and shall take into consideration the airport development and operations plans and activities of the commission.

Subd. 2. [AVIATION PLAN.] By February 1, 1990, the council shall amend the aviation chapter of the metropolitan development guide to incorporate policies and strategies that will ensure a comprehensive, coordinated, continuing, thorough, and timely investigation and evaluation of alternatives for major airport development in the metropolitan area for a prospective 30-year period. The alternatives to be examined must include both the airport improvements and enhancements of capacity that may be necessary at the existing airport and the location and development of a new airport.

Subd. 3. [SEARCH AREA.] By January 1, 1992, the council, in consultation with the airports commission, shall designate an area within the metropolitan area as a search area for a major new airport.

Subd. 4. [LEGISLATIVE REPORTS.] (a) Until the activities required by section 3, subdivision 3, and section 4 are completed, the council shall report to the legislature by February 15 of each year on the results of the aviation planning activities of the council under this section. The report must include a summary of expenditures and sources of funding for the activities.

(b) By February 1, 1990, the council shall report to the legislature recommending methods and legislative actions that would be necessary to protect a new airport search area from conflicting development, to protect and control development on land at and around a site for a major new airport, and to inhibit land speculation and reduce incentives for land speculation in the airport and all surrounding areas.

(c) By March 1, 1990, after consulting with the airports commission, the federal aviation administration, industry representatives, and other persons, the council shall report to the legislature on assumptions and methods that will be used by the council to forecast demand related to the need for major airport facilities in the metropolitan area for a prospective 30-year period.

(d) By March 1, 1990, the council shall report to the legislature analyzing and making recommendations on long-range aviation goals for the major airport facility in the metropolitan area for a prospective 30-year period. The report must address goals for safety, environmental impact, and service, including ground access and service levels to other states and countries and to nonmetropolitan areas of the state. In preparing the report, the council shall consider regional growth patterns, economic development, economic impact, regional and statewide investment, and ground transportation.

(e) By February 1, 1991, the council shall report to the legislature on the general availability of suitable land in the metropolitan area for a new airport. If the council finds that sufficient land may not be available in the area, the council shall describe the legal and institutional changes that would be required to extend the search for a suitable site beyond the boundaries of the metropolitan area.

(f) By January 1, 1993, the council shall report to the legislature on policies for the reuse of the existing major airport site should a new major airport be developed.

Sec. 2. Minnesota Statutes 1988, section 473.604, subdivision 1, is amended to read:

Subdivision 1. The commission consists of:

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

(2) a number of members appointed from precincts equal or nearest to but not exceeding half the number of districts which are provided by law for the selection of members of the metropolitan council in section 473.123. Each member shall be a resident of the precinct represented. The members shall be appointed by the governor as follows: a number as near as possible to one-fourth, for a

term of one year; a similar number for a term of two years; a similar number for a term of three years; and a similar number for a term of four years, all of which terms shall commence on July 1, 1981. The successors of each member shall be appointed for four-year terms commencing in July of each fourth year after the expiration of the original term. Before making an appointment, the governor shall consult with each member of the legislature from the precinct for which the member is to be appointed, to solicit the legislator's recommendation on the appointment; and

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

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

Sec. 3. [473.616] [COMPREHENSIVE AIRPORT PLANNING.]

Subdivision 1. [WOLD-CHAMBERLAIN PLAN.] (a) By January 1, 1991, the commission shall adopt a long-term comprehensive plan for the international airport at its existing location. The plan must describe:

- (1) aviation demand and air transportation needs;
- (2) airport capacity limits and potential;
- (3) facilities requirements;
- (4) a plan for physical development, including financial estimates and a tentative development schedule;
- (5) airport operational characteristics;

(6) compatibility with metropolitan and local physical facility systems;

(7) environmental effects;

(8) safety; and

(9) the effect on the neighboring communities.

The plan must satisfy the air transportation needs for a prospective 20-year period. At the same time, the commission shall adopt a concept plan for the airport, including an estimate of facilities requirements, to satisfy the air transportation needs for an additional ten-year period. The plans must be consistent with the development guide of the council. The plans must be updated at least every five years. The plans must be amended as necessary to reflect changes in trends and conditions, facilities requirements, and development plans and schedules. The plans are subject to sections 473.165 and 473.611.

(b) Until January 1, 1996, or until the commission has completed the activities required by subdivision 3 and section 4, whichever occurs first, the commission may construct a new runway or a new, substantially expanded, or relocated terminal facility if the commission determines that construction of the runway or facility is necessary and prudent, considering the economic, financial, environmental, and other costs and benefits of the new runway or facility, the current and long-term future need for major airport facilities, capacity constraints, and the time required to construct airport facilities. The commission shall make its determination by resolution, containing findings of fact and conclusions. Before making its determination, the commission shall hold a public hearing on the question. The hearing may be held separately or in conjunction with any other hearing required on the project, as the commission deems appropriate. The commission may plan, prepare designs and specifications, and conduct environmental review of a facility before the public hearing.

Subd. 2. [NEW AIRPORT; CONCEPTUAL DESIGN STUDY AND PLAN.] By March 1, 1990, the commission, in consultation with the council, shall complete a study of facilities requirements, airport functioning, and conceptual design for a major new airport. By January 1, 1991, the commission shall complete a conceptual design plan for a major new airport. The conceptual design study and plan must describe and satisfy air transportation needs for a prospective 30-year period and be consistent with the development guide of the council. The conceptual design plan must include an analysis of estimated costs, potential financing methods and sources of public and private funding, and cost allocation issues and options. The council shall use the design study and plan in evaluating areas for locating a new airport under section 1, subdivision 3.

Subd. 3. [NEW AIRPORT; SITE SELECTION; COMPREHENSIVE PLAN.] Within four years following the council's designation of a search area under section 1, the commission shall: (1) select a site for a major new airport in the search area designated by the council; (2) prepare a comprehensive plan and schedule, including financial plans, for the development of a major airport at that site for a prospective 20-year period following a decision to develop a new airport; (3) prepare an estimate of facilities requirements and a concept plan for development of the airport for an additional ten years; and (4) prepare and submit for administrative review the environmental documents that are required for site acquisition.

Subd. 4. [LEGISLATIVE REPORTS.] (a) Until the activities required by subdivision 3 and section 4 are completed, the commission shall report to the legislature by February 15 of each year on the results of the airport planning activities of the commission under this section. The report must include a summary of expenditures and sources of funding for the activities.

(b) By March 1, 1990, after consulting with the council, the federal aviation administration, industry representatives, and other persons, the commission shall report to the legislature on the assumptions and methods that the commission will use in preparing forecasts for airport development and operations purposes and for determining capacity and facility needs.

(c) By March 1, 1990, the commission shall report to the legislature on the integration of major airport facilities in the metropolitan area with state, national, and international air transportation systems and on the commission's planning assumptions and parameters related to such airport development issues as capacity, safety, environmental impact, and air service.

(d) By March 1, 1990, the commission shall report to the legislature on the conceptual design study for a major new airport, prepared under subdivision 2. By January 1, 1991, the commission shall report to the legislature on the conceptual design plan prepared under subdivision 2.

Sec. 4. [473.618] [AIRPORT PLANNING AND DEVELOPMENT REPORT.]

Within 180 days after the completion of the actions required by section 3, subdivision 3, the metropolitan council and the airports commission shall report to the legislature on the long-range planning and development of major airport facilities in the metropolitan area. The report must include the recommendations of the agencies on major airport development in the metropolitan area for a prospective 30-year period and on acquiring a site for a major new airport. The report must include an analysis of the effect of a new airport on present and proposed facilities at the existing airport and

on the local, regional, and state economies. The report must contain the recommendations of the agencies on financial planning and financing for a major new airport, including: cost; cost allocation; amortization of major improvements at the existing airport before a transfer of operations; financing methods and sources of public and private funds; lease agreements and user charges at a new airport; and a method of capturing for public uses a portion of the revenue from development around a new airport.

Sec. 5. [473.619] [PLANNING ADMINISTRATION.]

Subdivision 1. [INTERAGENCY AGREEMENT.] The metropolitan council and the airports commission shall enter into an inter-governmental agreement by July 1, 1989. The agreement must establish a process and agency responsibilities for comprehensive and coordinated planning for major airport development, consistent with the requirements of this section and sections 1 to 4. The agreement must establish a joint committee composed of board members of the two agencies to oversee implementation of the agreement.

Subd. 2. [SCOPE OF WORK REPORT.] By September 1, 1989, the metropolitan council and the airports commission shall prepare a scope of work report that describes the general scope and schedule of work and the topics to be addressed in the planning and study tasks required of the agencies under sections 1 to 4.

Subd. 3. [FEDERAL PARTICIPATION.] The metropolitan council and the airports commission shall make use of available federal funding for their activities under sections 1 to 4.

Subd. 4. [CONSULTATION.] The metropolitan council and the airports commission shall prepare the plans and reports under sections 1 to 4 in consultation with each other, the commissioner of transportation, the federal aviation administration, industry representatives, and other interested persons.

Subd. 5. [COMMENCEMENT.] In order to meet the planning deadlines prescribed in sections 1 to 4, the agencies may begin preparing plans and studies immediately, without waiting for the completion of the interagency agreement or the completion and review of the scope of work report.

Sec. 6. Minnesota Statutes 1988, section 473.621, subdivision 1a, is amended to read:

Subd. 1a. [RELATIONSHIP TO LEGISLATURE.] The commission shall be held accountable to the legislature in its activities, plans, policies, and programs. It shall report each session to appropriate committees of the legislature as to its activities, plans,

policies, and programs and shall make other reports and recommendations which the legislature or its committees deem appropriate. The commission shall adopt a long-term comprehensive plan for the Minneapolis-St. Paul International Airport. The plan must describe, in the degree of detail that the commission deems appropriate for at least a prospective ten-year period, the following:

- (1) aviation demand;
- (2) airport capacity, including environmental, runway, terminal, and other factors relevant to capacity;
- (3) a plan and financial estimates for physical development;
- (4) airport operational characteristics;
- (5) compatibility with the capacity of metropolitan and local physical facility systems;
- (6) environmental effects; and
- (7) the effect on the neighboring communities.

The plan must be submitted to the legislature by December 31, 1988, and be updated at least every five years thereafter. The plan is subject to sections 473.165 and 473.611.

Sec. 7. [STATE ADVISORY COUNCIL.]

Subdivision 1. [ESTABLISHMENT; PURPOSE.] A state of Minnesota advisory council on metropolitan airport planning is established to provide a forum at the state level for education, discussion, and advice to the legislature on the reports prepared for the legislature by the metropolitan council and metropolitan airports commission. The creation of this advisory council does not affect the existing reporting relationship of the commission and council to the legislature.

Subd. 2. [AUTHORITY; DUTIES.] (a) The advisory council shall review and comment to the legislature on the scope of work report required by section 5, subdivision 2.

(b) The advisory council shall review and comment to the legislature on the reports to the legislature required by section 1, subdivision 4; section 3, subdivision 4; and section 4.

(c) The advisory council may conduct public meetings on the reports to inform the public and solicit opinion.

(d) The advisory council may request interim briefings on work in progress.

Subd. 3. [MEMBERSHIP.] The members of the advisory council are:

(1) six legislators, three members of the senate and three members of the house of representatives, appointed by the customary appointing authority of each house;

(2) the commissioners of transportation, planning, the pollution control agency, and trade and economic development, or their designees;

(3) two metropolitan council members, appointed by the metropolitan council, at least one from a district directly affected by the international airport;

(4) two members of the metropolitan airports commission, appointed by the airports commission, at least one from a district directly affected by the international airport;

(5) two representatives of the aviation industry, appointed by the metropolitan council;

(6) four persons who are not eligible for selection under other clauses appointed as follows: two persons appointed by the customary appointing authority of each house of the legislature, one from the metropolitan area and the other from elsewhere in the state; and

(7) a representative of the federal aviation administration and persons representing members of Congress from the state, serving ex officio.

Members serve at the pleasure of the appointing authority.

Subd. 4. [CHAIRS.] The legislative appointing authorities shall each designate a legislative appointee to serve as a co-chair of the advisory council.

Subd. 5. [ADMINISTRATION.] On the request of the advisory council, legislative staff offices and the state and metropolitan agencies represented on the advisory council shall provide administrative and staff assistance.

Subd. 6. [TERMINATION.] The advisory council ceases to exist when the actions required by section 3, subdivision 3, and section 4 are completed.

Sec. 8. [COMPLIANCE WITH OTHER LAWS.]

Nothing in sections 1 to 9 relieves the commission or the council of any duties or responsibilities otherwise imposed by law.

Sec. 9. [APPLICATION.]

Sections 1 to 6 apply in the counties of Anoka, Carver, Dakota, Hennepin, Ramsey, Scott, and Washington."

Delete the title and insert:

"A bill for an act relating to metropolitan airport planning; requiring various actions, plans, and reports by the metropolitan council and the metropolitan airports commission; expanding the membership of the commission; establishing a state advisory council on metropolitan airport planning; amending Minnesota Statutes 1988, sections 473.604, subdivision 1; and 473.621, subdivision 1a; proposing coding for new law in Minnesota Statutes, chapter 473."

The motion prevailed and the amendment was adopted.

Wynia moved to amend S. F. No. 1358, as amended, as follows:

Page 4, after line 18, insert:

"Sec. 3. Minnesota Statutes 1988, section 473.605, subdivision 2, is amended to read:

Subd. 2. Each commission member shall be paid a per diem compensation of \$50 for each meeting of the commission, one of its committees, and attendance and participation at a meeting or hearing as a representative of the commission pursuant to state law or rule. Members shall be reimbursed for all actual and necessary expenses incurred in the performance of their duties ~~in the same manner and amount as state employees~~. The chair shall receive compensation as determined by the commission and shall be reimbursed for reasonable expenses to the same extent as a member. The mayors and members of the city councils of Minneapolis and St. Paul shall not be eligible for per diem compensation. The annual budget of the commission shall provide as a separate account anticipated expenditures for per diem, travel and associated expenses for the chair and members, and compensation or reimbursement shall be made to the chair and members only when budgeted."

Renumber the sections in sequence

Correct internal cross-references

Amend the title as follows:

Page 1, line 7, after the semicolon insert "changing certain reimbursements;"

Page 1, line 8, after the semicolon insert "473.605, subdivision 2;"

The motion prevailed and the amendment was adopted.

Macklin, Gutknecht, Bertram, Gruenes, Bauerly and Bishop moved to amend S. F. No. 1358, as amended, as follows:

Page 10, after line 30, insert:

"Sec. 8. [RELIEVER AIRPORTS; STUDIES.]

Subdivision 1. [AIRLAKE AIRPORT.] The metropolitan airports commission shall conduct a study on the social and environmental effects of the expansion of a runway at the Airlake airport and report to the legislature by January 1, 1991, on the results of the study. The commission's study shall afford the airport users, general public, and local government officials in the vicinity of the Airlake airport an opportunity to provide input on the effect of a runway expansion on their community. No expansion of a runway at the Airlake airport may be commenced until the legislature has had at least 90 days to review the study and had an opportunity to place appropriate conditions or restrictions on a proposed runway expansion to ensure that any significant environmental or social concerns cited in the study are met.

Subd. 2. [ST. CLOUD, ROCHESTER AIRPORTS; STUDY.] The commission shall conduct a study on the feasibility of using the St. Cloud municipal airport and the Rochester international airport to relieve congestion at Minneapolis-St. Paul international airport. The study shall consider future traffic growth at each airport, availability of and the need for transportation to St. Cloud and Rochester from Minneapolis-St. Paul international airport, and the benefit to each airport and the surrounding communities by a shift of traffic from Minneapolis-St. Paul international airport to St. Cloud and Rochester. The commission shall report to the legislature by January 1, 1991, on the results of the study."

Renumber the sections in sequence

Correct internal references

Amend the title as follows:

Page 11, line 7, after the semicolon insert "providing for studies on the effects of a runway expansion at Airlake airport and the use of

certain airports to relieve congestion at Minneapolis-St. Paul international airport;"

A roll call was requested and properly seconded.

The question was taken on the Macklin et al amendment and the roll was called. There were 42 yeas and 86 nays as follows:

Those who voted in the affirmative were:

Anderson, R.	Dille	Knickerbocker	Ozment	Swenson
Bauerly	Frederick	Lynch	Pellow	Tompkins
Bennett	Frerichs	Macklin	Redalen	Uphus
Bertram	Girard	Marsh	Richter	Valento
Bishop	Gruenes	McDonald	Runbeck	Waltman
Boo	Gutknecht	McPherson	Schafer	Weaver
Burger	Hartle	Miller	Solberg	
Carlson, D.	Hugoson	Omann	Stanius	
Dempsey	Johnson, V.	Onnen	Sviggum	

Those who voted in the negative were:

Abrams	Haukoos	Lasley	Osthoff	Schreiber
Anderson, G.	Heap	Lieder	Ostrom	Seaberg
Battaglia	Henry	Limmer	Otis	Segal
Beard	Himle	Long	Pappas	Simoneau
Begich	Jacobs	McEachern	Pelowski	Skoglund
Blatz	Janezich	McGuire	Peterson	Sparby
Carlson, L.	Jefferson	McLaughlin	Poppenhagen	Steensma
Carruthers	Jennings	Milbert	Price	Tjornhom
Clark	Johnson, A.	Morrison	Pugh	Tjornhle
Conway	Johnson, R.	Munger	Quinn	Tunheim
Cooper	Kahn	Murphy	Reding	Vellenga
Dauner	Kalis	Nelson, C.	Rest	Wagenius
Dawkins	Kelly	Nelson, K.	Rice	Welle
Dorn	Kelso	O'Connor	Rodosovich	Wenzel
Forsythe	Kinkel	Olson, E.	Rukavina	Williams
Greenfield	Kostohryz	Olson, K.	Sarna	Winter
Hasskamp	Krueger	Orenstein	Scheid	Wynia
				Spk. Vanasek

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

Tjornhom moved to amend S. F. No. 1358, as amended, as follows:

Page 9, delete lines 34 to 36

Page 10, delete lines 1 to 23 and insert:

"(1) the commissioner of transportation, state planning, and the pollution control agency;

(2) a member of the metropolitan council, appointed by the council;

(3) a member of the metropolitan airports commission appointed by the commission;

(4) a representative of the aviation industry, appointed by the metropolitan council;

(5) four elected city officials, one from each of the cities of Bloomington, Minneapolis, Richfield, and St. Paul, appointed, respectively, by the governing bodies of Bloomington, Minneapolis, Richfield, and St. Paul;

(6) a representative of the Federal Aviation Administration, serving as a nonvoting member;

(7) a member of the Minnesota congressional delegation, serving as a nonvoting member, selected by the delegation; and

(8) two public members who are not eligible for appointment under clauses (1) to (7), one appointed by the majority leader of the senate and one appointed by the speaker of the house of representatives;

The advisory council shall elect a chair from among its members."

Page 10, line 24, delete "5" and insert "4"

Page 10, line 28, delete "6" and insert "5"

A roll call was requested and properly seconded.

The question was taken on the Tjornhom amendment and the roll was called. There were 36 yeas and 91 nays as follows:

Those who voted in the affirmative were:

Abrams	Forsythe	Knickerbocker	Onnen	Sviggum
Anderson, R.	Frederick	Limmer	Ozment	Swenson
Bishop	Frerichs	Lynch	Pauly	Tjornhom
Blatz	Gutknecht	Marsh	Poppenhagen	Tompkins
Burger	Haukoos	McDonald	Redalen	Uphus
Dempsey	Henry	McPherson	Richter	Valento
Dille	Himle	Miller	Schreiber	Waltman
				Weaver

Those who voted in the negative were:

Anderson, G.	Bertram	Clark	Girard	Jacobs
Battaglia	Boo	Conway	Greenfield	Janezich
Bauerly	Brown	Cooper	Gruenes	Jaros
Beard	Carlson, D.	Dauner	Hasskamp	Jefferson
Begich	Carlson, L.	Dawkins	Heap	Jennings
Bennett	Carruthers	Dorn	Hugoson	Johnson, A.

Johnson, R.	McEachern	Osthoff	Rukavina	Tunheim
Johnson, V.	McGuire	Ostrom	Runbeck	Vellenga
Kahn	McLaughlin	Otis	Sarna	Wagenius
Kalis	Milbert	Pappas	Schafer	Welle
Kelly	Morrison	Pellow	Scheid	Wenzel
Kelso	Munger	Pelowski	Seaberg	Williams
Kinkel	Nelson, C.	Peterson	Segal	Winter
Kostohryz	Nelson, K.	Price	Simoneau	Wynia
Krueger	O'Connor	Quinn	Skoglund	Spk. Vanasek
Lasley	Olson, E.	Reding	Solberg	
Lieder	Olson, K.	Rest	Sparby	
Long	Omann	Rice	Steensma	
Macklin	Orenstein	Rodosovich	Trimble	

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

The Speaker called Krueger to the Chair.

Gutknecht, Gruenes, Bishop, Bauerly, Bertram and Frerichs moved to amend S. F. No. 1358, as amended, as follows:

Page 10, after line 30, insert:

“Sec. 8. [ST. CLOUD, ROCHESTER AIRPORTS; STUDY.]

The commission shall conduct a study on the feasibility of using the St. Cloud municipal airport and the Rochester international airport to relieve congestion at Minneapolis-St. Paul international airport. The study shall consider future traffic growth at each airport, availability of and the need for transportation to St. Cloud and Rochester from Minneapolis-St. Paul international airport, and the benefit to each airport and the surrounding communities by a shift of traffic from Minneapolis-St. Paul international airport to St. Cloud and Rochester. The commission shall report to the legislature by January 1, 1991, on the results of the study.”

Renumber the sections in sequence

Correct internal references

Amend the title as follows:

Page 1, line 7, after the semicolon insert “providing for a study on the use of certain airports to relieve congestion at Minneapolis-St. Paul international airport,”

A roll call was requested and properly seconded.

The Speaker resumed the Chair.

Carlson, D., was excused for the remainder of today's session.

The question was taken on the Gutknecht et al amendment and the roll was called. There were 46 yeas and 83 nays as follows:

Those who voted in the affirmative were:

Anderson, R.	Girard	Lynch	Pellow	Swenson
Bauerly	Gruenes	Macklin	Pelowski	Tjornhom
Bertram	Gutknecht	Marsh	Poppenhagen	Uphus
Bishop	Hartle	McDonald	Redalen	Valento
Blatz	Haukoos	McPherson	Richter	Waltman
Dempsey	Henry	Miller	Runbeck	Weaver
Dille	Hugoson	Omann	Schafer	
Forsythe	Johnson, V.	Onnen	Scheid	
Frederick	Knickerbocker	Ozment	Stanius	
Frerichs	Lasley	Pauly	Sviggum	

Those who voted in the negative were:

Abrams	Greenfield	Krueger	Osthoff	Skoglund
Anderson, G.	Hasskamp	Lieder	Ostrom	Solberg
Battaglia	Heap	Limmer	Pappas	Sparby
Beard	Himle	Long	Peterson	Steensma
Begich	Jacobs	McEachern	Price	Tompkins
Bennett	Janezich	McGuire	Pugh	Trimble
Boo	Jaros	McLaughlin	Quinn	Tunheim
Brown	Jefferson	Milbert	Reding	Vellenga
Burger	Jennings	Morrison	Rest	Wagenius
Carlson, L.	Johnson, A.	Munger	Rice	Welle
Carruthers	Johnson, R.	Murphy	Rodosovich	Wenzel
Clark	Kahn	Nelson, C.	Rukavina	Williams
Conway	Kalis	Nelson, K.	Sarna	Winter
Cooper	Kelly	O'Connor	Schreiber	Wynia
Dauner	Kelso	Olson, E.	Seaberg	Spk. Vanasek
Dawkins	Kinkel	Olson, K.	Segal	
Dorn	Kostohryz	Orenstein	Simoneau	

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

Wynia moved to amend S. F. No. 1358, as amended, as follows:

Page 10, line 27, after the period insert "Members are compensated as provided in section 15.0575, subdivision 3."

The motion prevailed and the amendment was adopted.

S. F. No. 1358, A bill for an act relating to metropolitan airport planning; requiring various actions, plans, and reports by the metropolitan council and the metropolitan airports commission; establishing a state advisory council on metropolitan airport planning; providing for a study on the effects of a runway expansion at Airlake airport and the use of certain airports to relieve congestion

at Minneapolis-St. Paul international airport; amending Minnesota Statutes 1988, sections 473.604, subdivision 1; 473.608, subdivision 1; and 473.621, subdivision 1a; proposing coding for new law in Minnesota Statutes, chapter 473.

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 126 yeas and 4 nays as follows:

Those who voted in the affirmative were:

Abrams	Frederick	Knickerbocker	Omann	Seaberg
Anderson, G.	Girard	Kostohryz	Onnen	Segal
Anderson, R.	Greenfield	Krueger	Orenstein	Simoneau
Battaglia	Gruenes	Lasley	Ostrom	Skoglund
Bauerly	Gutknecht	Lieder	Otis	Solberg
Beard	Hartle	Limmer	Pappas	Sparby
Begich	Hasskamp	Long	Pauly	Stanius
Bennett	Haukoos	Lynch	Pellow	Steensma
Bertram	Heap	Macklin	Pelowski	Swiggum
Bishop	Henry	Marsh	Peterson	Swenson
Blatz	Himle	McDonald	Poppenhagen	Tjornhom
Boo	Hugoson	McEachern	Price	Tompkins
Brown	Jacobs	McGuire	Pugh	Trimble
Burger	Janezich	McLaughlin	Quinn	Tunheim
Carlson, L.	Jaros	McPherson	Redalen	Uphus
Carruthers	Jefferson	Milbert	Reding	Valento
Clark	Jennings	Miller	Rest	Vellenga
Conway	Johnson, A.	Morrison	Rice	Wagenius
Cooper	Johnson, R.	Munger	Richter	Waltman
Dauner	Johnson, V.	Murphy	Rodosovich	Weaver
Dawkins	Kahn	Nelson, C.	Rukavina	Welle
Dempsey	Kalis	Nelson, K.	Runbeck	Wenzel
Dille	Kelly	O'Connor	Sarna	Williams
Dorn	Kelso	Olson, E.	Schafer	Winter
Forsythe	Kinkel	Olson, K.	Schreiber	Wynia
				Spk. Vanasek

Those who voted in the negative were:

Frerichs	Osthoff	Ozment	Scheid
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The bill was passed, as amended, and its title agreed to.

ANNOUNCEMENTS BY THE SPEAKER

The Speaker announced the appointment of the following members of the House to a Conference Committee on H. F. No. 193:

Carruthers, Kelly and Blatz.

The Speaker announced the appointment of the following members of the House to a Conference Committee on H. F. No. 412:

McEachern; Nelson, K., and Ozment.

The Speaker announced the appointment of the following members of the House to a Conference Committee on H. F. No. 456:

Williams, Pauly and Solberg.

The Speaker announced the appointment of the following members of the House to a Conference Committee on H. F. No. 811:

Pugh; Johnson, R., and Weaver.

The Speaker announced the appointment of the following members of the House to a Conference Committee on H. F. No. 1285:

Skoglund, Burger and Carruthers.

There being no objection, the order of business reverted to Reports of Standing Committees.

REPORTS OF STANDING COMMITTEES

Anderson, G., from the Committee on Appropriations to which was referred:

H. F. No. 66, A bill for an act relating to gambling; creating a department of gaming; authorizing a state lottery to be conducted by a division of state lottery within the department of gaming; creating a division of charitable gambling control and transferring certain powers of the charitable gambling control board to that division and to the department of revenue; creating a division of pari-mutuel racing; creating a division of inspection and enforcement in the department of public safety and providing for its duties; prescribing penalties; appropriating money; amending Minnesota Statutes 1988, sections 10A.01, subdivision 18; 10A.09, subdivision 1; 15.06, subdivision 1; 15A.081, subdivision 1; 43A.08, subdivision 1a; 240.01, by adding subdivisions; 240.02, subdivisions 1 and 2; 240.04, subdivisions 1, 3, and 7; 240.06, subdivisions 3 and 8; 240.07, subdivision 2; 240.08, subdivision 3; 240.21; 240.28; 290.01, subdivision 19b; 297A.25, by adding a subdivision; 340A.410, subdivision 5; 349.12, subdivisions 11, 17, and 20, and by adding subdivisions; 349.151, subdivisions 1, 2, 4, and 5; 349.16, subdivision 4; 349.161, subdivision 4; 349.162, subdivisions 1, 2, 4, and 5; 349.163; 349.18, subdivision 1; 349.19, subdivisions 5 and 6; 349.212; 349.2121, subdivisions 2, 3, 4, 4a, 6, 7, 8, and 10; 349.2122; 349.2125, subdivisions 1, 2, and 3; 349.2127, subdivision 2; 349.214, subdivi-

sion 2; 349.22, subdivisions 1 and 3; 541.20; 541.21; 609.75; 609.76, subdivision 1; 609.761; 626.05, subdivision 2; 626.13; and 626.85, subdivision 1; proposing coding for new law as Minnesota Statutes, chapters 299K; 349A; and 349B; proposing coding for new law in Minnesota Statutes, chapters 240 and 349; repealing Minnesota Statutes 1988, sections 240.02, subdivision 7; 349.151, subdivisions 3 and 5; 349.161, subdivision 7; 349.164, subdivision 5; 349.171; and 349.22, subdivision 4.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"ARTICLE 1

PARI-MUTUEL HORSE RACING

Section 1. Minnesota Statutes 1988, section 240.06, subdivision 3, is amended to read:

Subd. 3. [INVESTIGATION.] Before granting a class A license the commission shall conduct, or request the division of inspection and enforcement or the bureau of criminal apprehension to conduct, a comprehensive background and financial investigation of the applicant and sources of financing. The commission may charge an applicant an investigation fee to cover the cost of the investigation, and shall from this fee reimburse the bureau or the division of inspection and enforcement for its share of the cost of the investigation. The commission has access to all criminal history data compiled by the bureau of criminal apprehension or the division of inspection and enforcement on class A licensees and applicants.

Sec. 2. Minnesota Statutes 1988, section 240.06, subdivision 8, is amended to read:

Subd. 8. [WORK AREAS.] A class A licensee must provide at no cost to the commission suitable work areas for commission members, officers, employees, and agents, including agents of the division of inspection and enforcement, who are directed or requested by the commission to supervise and control racing at the licensed race-track.

Sec. 3. Minnesota Statutes 1988, section 240.07, subdivision 2, is amended to read:

Subd. 2. [HEARINGS; INVESTIGATIONS.] Before granting an initial class B license the commission shall hold at least one public hearing on the license. Comprehensive investigations must be conducted and their costs paid in the manner prescribed by section

240.06, subdivision 3. The commission has access to all criminal history data compiled by the bureau of criminal apprehension or the division of inspection and enforcement on class B licensees and applicants.

Sec. 4. Minnesota Statutes 1988, section 240.08, subdivision 3, is amended to read:

Subd. 3. [INVESTIGATIONS.] The commission shall investigate each applicant for a class C license to the extent it deems necessary, and may request the assistance of and may reimburse the bureau of criminal apprehension or the division of inspection and enforcement in investigating applicants. The commission may by rule require that an applicant be fingerprinted or furnish the applicant's fingerprints. Investigations must be conducted and their costs paid in the manner prescribed by section 240.06, subdivision 3. The commission may cooperate with national and international organizations and agencies in conducting investigations. The commission may by rule provide for examining the qualifications of an applicant for the license being applied for. The commission has access to all criminal history data compiled by the bureau of criminal apprehension or the division of inspection and enforcement on class C applicants and licensees.

Sec. 5. Minnesota Statutes 1988, section 240.21, is amended to read:

240.21 [RIGHT OF INSPECTION.]

The commission and its representatives, including representatives of the division of inspection and enforcement if requested by the commission to assist in the enforcement of laws and rules, have the right to inspect the licensed premises of a licensee and to examine the licensee's books and other records at any time without a search warrant.

Sec. 6. [EFFECTIVE DATE.]

Sections 1 to 5 are effective July 1, 1989.

ARTICLE 2

CHARITABLE GAMBLING CONTROL

Section 1. Minnesota Statutes 1988, section 349.12, subdivision 11, is amended to read:

Subd. 11. "Lawful purpose" means one or more of the following: (a) benefiting persons by enhancing their opportunity for religious or educational advancement, by relieving or protecting them from

disease, suffering or distress, by contributing to their physical well-being, by assisting them in establishing themselves in life as worthy and useful citizens, or by increasing their comprehension of and devotion to the principles upon which this nation was founded; (b) initiating, performing, or fostering worthy public works or enabling or furthering the erection or maintenance of public structures; (c) lessening the burdens borne by government or voluntarily supporting, augmenting or supplementing services which government would normally render to the people, including the provisions of grave markers for Minnesota's deceased veterans; (d) any expenditure by, or any contribution to, a hospital or nursing home exempt from taxation under section 501(c)(3) of the Internal Revenue Code; or ~~(d)~~ (e) payment of taxes imposed under this chapter, and other taxes imposed by the state or the United States on receipts from lawful gambling.

"Lawful purpose" does not include the erection, acquisition, improvement, expansion, repair, or maintenance of any real property owned or leased by ~~the an~~ organization, other than a hospital or nursing home exempt from taxation under section 501(c)(3) of the Internal Revenue Code, unless the board specifically authorizes the expenditures after finding that the property will be used exclusively for one or more of the purposes specified in clauses (a) to (c). The board may by rule adopt procedures and standards to administer this subdivision.

Sec. 2. Minnesota Statutes 1988, section 349.12, subdivision 17, is amended to read:

Subd. 17. "Distributor" is a person who sells gambling equipment the distributor manufactures or purchases for resale within the state to licensed organizations, organizations conducting exempt activity under section 349.214, or to other distributors.

Sec. 3. Minnesota Statutes 1988, section 349.12, subdivision 20, is amended to read:

Subd. 20. [IDEAL NET.] "Ideal net" means the pull-tab or tip-board deal's ideal gross, as defined under subdivision 19, less the total predetermined prize amounts available to be paid out. When the prize is not entirely a monetary one, the ideal net is 50 percent of the ideal gross.

Sec. 4. Minnesota Statutes 1988, section 349.12, is amended by adding a subdivision to read:

Subd. 23. [COMMISSIONER.] Except as otherwise provided, "commissioner" is the commissioner of revenue.

Sec. 5. Minnesota Statutes 1988, section 349.12, is amended by adding a subdivision to read:

Subd. 24. [NET PROFIT.] "Net profit" means gross profit less reasonable sums actually expended for allowable expenses.

Sec. 6. Minnesota Statutes 1988, section 349.12, is amended by adding a subdivision to read:

Subd. 25. [MANUFACTURER.] "Manufacturer" means a person or entity who assembles from raw materials or subparts a completed piece of gambling equipment, and who sells or furnishes the equipment for resale or for use in the state, and who is not a distributor licensed under this chapter. The term includes a person who converts, modifies, adds to, or removes parts or a portion from an item, device, or assembly to further its promotion, sale, or use as gambling equipment in this state. A person only adding or modifying promotional flares to advise the public of the prizes available, the rules of play, and the consideration required is not a manufacturer.

Sec. 7. Minnesota Statutes 1988, section 349.12, is amended by adding a subdivision to read:

Subd. 26. [PROMOTIONAL TICKET.] "Promotional ticket" is a pull-tab or tipboard ticket with the words "no purchase necessary" and "for promotional use only" and for which no consideration is given.

Sec. 8. Minnesota Statutes 1988, section 349.151, subdivision 2, is amended to read:

Subd. 2. [MEMBERSHIP.] The board consists of 13 nine members appointed as follows:

(1) eleven persons appointed by the governor with the advice and consent of the senate, at least four of whom must reside outside of the seven-county metropolitan area;

(2) the commissioner of public safety or a designee; and

(3) the attorney general or a designee.

A member serving on the board by appointment must have been a resident of Minnesota for at least five years. Of the appointees of the governor not more than six may belong to the same political party. A member appointed to the board may be removed at any time by the appointing authority. Vacancies on the board are filled in the same manner as the original appointment. Of the members appointed by the governor, three are for terms expiring June 30,

1985, four are for terms expiring June 30, 1986, and four are for terms expiring June 30, 1987. After the expiration of the initial terms, appointments are for three years, by the governor with the advise and consent of the senate. The governor shall appoint the chair from among the governor's appointees. At least one member must be appointed from each Congressional district. Not more than five of the nine members of the board may belong to the same political party. The terms of all members serving on the board on June 30, 1989, expire on that date. Of the members appointed by the governor to serve terms beginning July 1, 1989, two are for a term expiring June 30, 1992, two are for a term expiring June 30, 1993, two are for a term expiring June 30, 1994, and three are for terms expiring June 30, 1995. Thereafter all appointments by the governor are for six-year terms.

Sec. 9. Minnesota Statutes 1988, section 349.151, subdivision 4, is amended to read:

Subd. 4. [POWERS AND DUTIES.] The board has the following powers and duties:

(1) to issue, revoke, and suspend licenses to organizations, distributors, and manufacturers under sections 349.16, 349.161, and 349.163;

(2) to collect and deposit license fees and taxes due under this chapter;

(3) to receive reports required by this chapter and inspect the records, books, and other documents of organizations and suppliers to insure compliance with all applicable laws and rules;

(4) (3) to make rules, including emergency rules, required by this chapter;

(5) (4) to register gambling equipment and issue registration stamps under section 349.162;

(6) (5) to provide by rule for the mandatory posting by organizations conducting lawful gambling of rules of play and the odds and/or house percentage on each form of lawful gambling;

(7) (6) to report annually to the governor and legislature on its activities and on recommended changes in the laws governing charitable gambling; and

(8) (7) impose civil penalties of not more than \$500 per violation on organizations, distributors, and manufacturers for failure to comply with any provision of sections 349.12 to 349.23 or any rule of the board;

(8) to notify city councils, county boards, and town boards before issuing or renewing licenses to organizations as specified under section 349.213; and

(9) to revoke and suspend manufacturers' licenses.

Sec. 10. [349.1511] [COMMISSIONER OF REVENUE.]

The commissioner of revenue has the following powers and duties under sections 349.11 to 349.23:

(1) to collect and deposit taxes as authorized under sections 349.11 to 349.23;

(2) to receive reports required to be submitted to the commissioner and inspect the records, books, and other documents of organizations and suppliers to ensure compliance with those provisions of sections 349.11 to 349.23 relating to taxes imposed by those sections; and

(3) to investigate noncompliance with, or violation of, the provisions of sections 349.11 to 349.23 relating to taxes imposed by those sections.

Sec. 11. Minnesota Statutes 1988, section 349.16, subdivision 3, is amended to read:

Subd. 3. [FEES.] ~~The board shall by rule establish a schedule of fees for licenses under this section. The schedule must establish~~ may issue four classes of licenses; license: a class A license authorizing all forms of lawful gambling; a class B license authorizing all forms of lawful gambling except bingo, raffles; a class C license authorizing bingo only; and bingo a class D license authorizing raffles only. The annual license fee for each class of license is:

(1) \$150 for a class A license;

(2) \$75 for a class B license;

(3) \$75 for a class C license; and

(4) \$50 for a class D license.

Sec. 12. Minnesota Statutes 1988, section 349.16, subdivision 4, is amended to read:

Subd. 4. [LOCAL INVESTIGATION FEE.] A statutory or home rule charter city or county notified under section 349.213, subdivision 2, may assess an investigation fee on organizations applying for or renewing a license to conduct lawful gambling. An investigation fee may not exceed the following limits:

- (1) for cities of the first class, \$500;
- (2) for cities of the second class, \$250; and
- (3) for all other cities ~~and counties~~, \$100; and
- (4) for counties, \$250.

Sec. 13. Minnesota Statutes 1988, section 349.161, subdivision 4, is amended to read:

Subd. 4. [FEES.] The annual fee for a ~~supplier's~~ distributor's license is ~~\$1,500~~ \$2,500.

Sec. 14. Minnesota Statutes 1988, section 349.162, subdivision 1, is amended to read:

Subdivision 1. [STAMP REQUIRED.] A distributor may not sell ~~to an organization and an organization may not purchase, transfer, furnish, or otherwise provide to a person, organization, or distributor, and no person, organization, or distributor, may purchase, borrow, accept, or acquire from a distributor~~ gambling equipment unless the equipment has been registered with the board division of inspection and enforcement and has a registration stamp affixed. The board shall charge a fee of five cents for each stamp. Each stamp must bear a registration number assigned by the board. A distributor is entitled to a refund for unused stamps and replacement for stamps which are defective or canceled by the distributor.

Sec. 15. Minnesota Statutes 1988, section 349.162, subdivision 2, is amended to read:

Subd. 2. [RECORDS REQUIRED.] A distributor must maintain a record of all gambling equipment which it sells to organizations. The record must include:

- (1) the identity of the person or firm from whom the equipment was purchased;
- (2) the registration number of the equipment;
- (3) the name and address of the organization to which the sale was made; and
- (4) the date of the sale;
- (5) the name of the person who ordered the equipment; and
- (6) the name of the person who received the equipment.

The invoice for each sale must be retained for at least one year after the sale is completed and a copy of the invoice is delivered to the board director of inspection and enforcement. For purposes of this section, a sale is completed when the gambling equipment is physically delivered to the purchaser.

Each distributor must report monthly to the board director of inspection and enforcement, in a form the board director prescribes, its sales of each type of gambling equipment. Employees of the board may inspect the books, records, and other documents of a distributor at any reasonable time without notice and without a search warrant.

Sec. 16. Minnesota Statutes 1988, section 349.162, subdivision 4, is amended to read:

Subd. 4. [PROHIBITION.] (a) No person other than a licensed organization or a licensed distributor may possess unaffixed registration stamps issued by the board director of inspection and enforcement.

(b) Unless otherwise provided in this chapter, no person may possess gambling equipment that has not been registered with the director of inspection and enforcement.

Sec. 17. Minnesota Statutes 1988, section 349.162, subdivision 5, is amended to read:

Subd. 5. [SALES FROM AND STORAGE FACILITIES.] All gambling equipment purchased or possessed by a licensed distributor for resale in Minnesota must, prior to its the equipment's resale, be unloaded into a sales or storage facility located in Minnesota which the distributor owns or leases, and which has been registered, in advance and in writing, with the director of inspection and enforcement as a sales or storage facility of the distributor. All unregistered gambling equipment and all unaffixed registration stamps owned by, or in the possession of, a licensed distributor in the state of Minnesota shall be stored at a sales or storage facility which has been registered with the director of inspection and enforcement. No gambling equipment may be moved from the facility without having been first registered with the director of inspection and enforcement.

All sales and storage facilities owned, leased, used, or operated by a licensed distributor may be entered upon and inspected by the board, the director of inspection and enforcement, or their authorized representatives during reasonable and regular business hours. Obstruction of, or failure to permit, such entry and inspection is cause for revocation or suspension of a distributor's licenses and permits issued under this chapter.

Unregistered gambling equipment and unaffixed registration stamps found at any location in Minnesota other than a registered sales or storage facility are contraband under section 349.2125.

Sec. 18. Minnesota Statutes 1988, section 349.163, is amended to read:

349.163 [REGISTRATION LICENSING OF MANUFACTURERS.]

Subdivision 1. [REGISTRATION.] No manufacturer of gambling equipment may sell any gambling equipment to any person unless the manufacturer has registered with been licensed as a manufacturer by the board and has been issued a certificate of registration under objective criteria prescribed by the board by rule.

Subd. 2. [CERTIFICATE; FEE.] A certificate license under this section is valid for one year. The annual fee for registration a license is ~~\$500~~ \$2,500.

Subd. 3. [PROHIBITED SALES.] A manufacturer may not sell gambling equipment to ~~any~~ a person not licensed as a distributor unless ~~the manufacturer is also a licensed distributor.~~

Subd. 4. [INSPECTION OF LICENSED MANUFACTURER.] The director of inspection and enforcement or the board may inspect the books, records, inventory, and manufacturing operations of a licensed manufacturer without notice during the normal business hours of the manufacturer.

Sec. 19. Minnesota Statutes 1988, section 349.18, subdivision 1, is amended to read:

Subdivision 1. [LEASE OR OWNERSHIP REQUIRED.] An organization may conduct lawful gambling only on premises it owns or leases. Leases must be for a period of at least one year and must be in writing. Copies of all leases must be made available to employees of the board or division of inspection and enforcement on request. A lease may not provide for rental payments based on a percentage of determined directly or indirectly by the receipts or profits from lawful gambling. The board may prescribe by rule limits on the amount of rent which an organization may pay to a lessor for premises leased for lawful gambling.

No person, distributor, manufacturer, lessor, or organization other than the licensed organization leasing the space may conduct any activity in a leased space during times when lawful gambling is being conducted in the space.

Sec. 20. Minnesota Statutes 1988, section 349.19, subdivision 5, is amended to read:

Subd. 5. [REPORTS.] A licensed organization must report to the board, the division of inspection and enforcement, and to its membership monthly, or quarterly in the case of a licensed organization which does not report more than \$1,000 in gross receipts from lawful gambling in any calendar quarter, on its gross receipts, expenses, profits, and expenditure of profits from lawful gambling. If the organization conducts both bingo and other forms more than one form of lawful gambling, the figures for both must be reported separately. In addition, a licensed organization must report to the board and the division of inspection and enforcement monthly on its purchases of gambling equipment and must include the type, quantity, and dollar amount from each supplier separately. The reports must be on a form the board prescribes.

Sec. 21. Minnesota Statutes 1988, section 349.19, subdivision 6, is amended to read:

Subd. 6. [PRESERVATION OF RECORDS.] The board may require that records required to be kept by this section must be preserved by a licensed organization for at least ~~two~~ 3½ years and may be inspected by employees of the board division at any reasonable time without notice or a search warrant. This subdivision does not limit the powers of the director of inspection and enforcement under chapter 349C.

Sec. 22. Minnesota Statutes 1988, section 349.212, is amended to read:

349.212 [TAX IMPOSED.]

Subdivision 1. [RATE.] (a) There is ~~hereby~~ imposed a tax on all lawful gambling, other than (1) pull-tabs purchased and placed into inventory after January 1, 1987, and (2) tipboards purchased and placed into inventory after June 30, 1988, conducted by organizations licensed by the board at the rate specified in this subdivision. The tax imposed by this subdivision is in lieu of the tax imposed by section 297A.02 and all local taxes and license fees except the tax authorized by subdivision 5 and a fee authorized under section 349.16, subdivision 4. The tax is payable as provided in subdivision 2.

On all lawful gambling, other than (1) pull-tabs purchased and placed into inventory after January 1, 1987, and (2) tipboards purchased and placed into inventory after June 30, 1988, the tax is ten percent of the gross receipts of a licensed organization from lawful gambling less prizes actually paid out, payable by the organization.

(b) There is imposed a tax on the sale of each deal of pull-tabs and tipboards sold by a licensed distributor to a licensed or exempt organization, or to an organization holding an exemption identification number. The rate of the tax is ten percent of the ideal net of the pull-tab and tipboard deal. The tax is payable as provided in section 349.2121, subdivision 4. The sales tax imposed by chapter 297A on the sale of the pull-tabs and tipboards by the licensed distributor to an organization is imposed on the retail sales price less the tax imposed by this paragraph. The retail sale of pull-tabs or tipboards by the organization is exempt from taxes imposed by chapter 297A if the tax imposed by this paragraph has been paid and is exempt from all local taxes and license fees except taxes and fees authorized under subdivision 5 and section 349.16, subdivision 4. The liability for the tax is incurred when the pull-tabs and tipboards are delivered by the distributor to the licensed or exempt organization, to a common or contract carrier for delivery to the organization, or when received by the organization's authorized representative at the distributor's place of business, regardless of the distributor's method of accounting or the terms of sale. The exemptions in section 349.214, subdivision 2, paragraph (b), do not apply to the tax imposed in this paragraph.

The tax imposed by this paragraph is imposed on all sales of pull-tabs and tipboards, except the following are exempt:

(1) sales to the governing body of an Indian tribal organization for use on an Indian reservation;

(2) sales to distributors licensed under this chapter;

(3) sales to distributors licensed under the laws of another state or of a province of Canada, as long as all statutory and regulatory requirements are met in the other state or province; and

(4) sales of promotional tickets as defined in section 349.12.

Subd. 2. [COLLECTION; DISPOSITION.] The tax must be paid to the board at times and in a manner the board prescribes by rule. The proceeds, along with the revenue received from all license fees and other fees under sections 349.11 to 349.21 and 349.211, 349.212, and 349.213, must be paid to the state treasurer for deposit in the general fund. The tax imposed in subdivision 1, paragraph (a), is due and payable to the commissioner of revenue monthly on or before the 20th of the month after the reporting period in which the taxable event occurred. The tax must be reported on a form prescribed by the commissioner. The proceeds from the taxes must be deposited in the general fund.

Subd. 4. [PULL-TAB AND TIPBOARD TAX.] (a) There is imposed a tax on the sale of each deal of pull-tabs and tipboards sold by a licensed distributor to a licensed organization, or to an organiza-

tion holding an exemption identification number. The rate of the tax is ten percent of the ideal net of the pull-tab and tipboard deal. The tax is payable to the commissioner of revenue in the manner prescribed in section 349.2121 and the rules of the commissioner. The commissioner shall pay the proceeds of the tax to the state treasurer for deposit in the general fund. The sales tax imposed by chapter 297A on the sale of the pull-tabs and tipboards by the licensed distributor to an organization is imposed on the retail sales price less the tax imposed by this subdivision. The retail sale of pull-tabs or tipboards by the organization is exempt from taxes imposed by chapter 297A if the tax imposed by this subdivision has been paid and is exempt from all local taxes and license fees except a fee authorized under section 349.16, subdivision 4.

(b) The liability for the tax imposed by this section is incurred when the pull-tabs and tipboards are delivered by the distributor to the licensed or exempt organization, to a common or contract carrier for delivery to the organization, or when received by the organization's authorized representative at the distributor's place of business, regardless of the distributor's method of accounting or the terms of the sale.

(c) The exemptions contained in section 349.214, subdivision 2, paragraph (b), do not apply to the tax imposed in this subdivision.

Subd. 4a. [DUE DATE FOR FILING OF RETURNS.] The gambling tax returns required to be made under subdivisions 1 and 2 must be filed on or before the 20th of each month following the close of the preceding reporting period.

Subd. 5. [LOCAL GAMBLING TAX.] A statutory or home rule charter city which has one or more licensed organizations operating lawful gambling, and a county which has one or more licensed organizations outside incorporated areas operating lawful gambling, may impose a local gambling tax on each licensed organization within the city's or county's jurisdiction. The tax may be imposed only if the amount to be received by the city or county is necessary to cover the costs incurred by the city or county to regulate lawful gambling. The tax imposed by this subdivision may not exceed three percent of the gross receipts profits of a licensed organization from all lawful gambling less prizes actually paid out by the organization. A city or county may not use money collected under this subdivision for any purpose other than for the purpose of regulating lawful gambling. A tax imposed under this subdivision is in lieu of all other local taxes and local investigation fees on lawful gambling. Any city or county that imposes a tax under this subdivision shall annually by March 15 file a report with the board in a form prescribed by the board showing (1) the amount of revenue produced by the tax during the preceding calendar year, and (2) the use of the proceeds of the tax.

Sec. 23. Minnesota Statutes 1988, section 349.2121, subdivision 2, is amended to read:

Subd. 2. [RECORDS.] A distributor shall keep at each licensed place of business complete and accurate records for that place of business, including itemized invoices of pull-tabs and tipboards held, purchased, manufactured, or brought in or caused to be brought in from without this state, and of all sales of pull-tabs and tipboards. The records must show the names and addresses of purchasers, the inventory at the close of each period for which a return is required of all pull-tab and tipboard deals on hand, and other pertinent papers and documents relating to the purchase, sale, or disposition of pull-tab and tipboard deals. Books, records, and other papers and documents required by this section must be kept for a period of at least 3½ years after the date of the documents, or the date of the entries appearing in the records, unless the commissioner authorizes in writing their destruction or disposal at an earlier date. At any time during usual business hours, the commissioner, executive secretary of the charitable gambling control board, or any of their duly authorized agents or employees, may enter a place of business of a distributor, ~~charitable organization, or any site from which pull-tabs or tipboards are gambling equipment is being sold, or any site where lawful gambling is being conducted,~~ and inspect the premises and the records required to be kept under this section to determine whether or not all the provisions of ~~this section~~ sections 349.212 to 349.2124 are being fully complied with. If the commissioner, executive secretary, or their duly authorized agents or employees are denied free access to or are hindered or interfered with in making an inspection of the distributor's place of business, the permit of the distributor may be revoked by the commissioner, and the license of the distributor may be revoked by the charitable gambling control board.

Sec. 24. Minnesota Statutes 1988, section 349.2121, subdivision 3, is amended to read:

Subd. 3. [SUSPENSION, REVOCATION.] The commissioner, after giving notice and hearing, may for reasonable cause revoke or suspend a permit held by a distributor. A notice must be sent to the distributor at least ~~30~~ 15 days before the ~~hearing and give notice of the time and place of the hearing,~~ proposed suspension or revocation is to take effect. The notice must give the reason for the proposed suspension or revocation, and must require the distributor to show cause why the proposed action should not be taken. The notice may be served personally or by mail ~~in the manner prescribed for service of notice of a deficiency.~~

The notice must inform the distributor of the right to a contested case hearing. If a request in writing is made to the commissioner within 14 days of the date of the notice, the commissioner shall defer action on the suspension or revocation and shall refer the case to the

office of administrative hearings for the scheduling of a contested case hearing. The distributor must be served with 20 days' notice in writing specifying the time and place of the hearing and the allegations against the distributor.

The commissioner shall issue a final order following receipt of the recommendation of the administrative law judge.

Under section 271.06, subdivision 1, an appeal to the tax court may be taken from the commissioner's order of revocation or suspension. The commissioner may not issue a new permit after revocation except upon application accompanied by reasonable evidence of the intention of the applicant to comply with all applicable laws and rules.

Sec. 25. Minnesota Statutes 1988, section 349.2121, subdivision 4, is amended to read:

Subd. 4. [COLLECTION.] The tax imposed by section 349.212, subdivision 4 1, paragraph (b), for each taxable sale is due and payable to the commissioner monthly on or before the 25th day of the month succeeding the month in which the taxable sale was made. The tax must be reported on a form prescribed by the commissioner.

Sec. 26. Minnesota Statutes 1988, section 349.2121, subdivision 4a, is amended to read:

Subd. 4a. [REFUND.] If any deal of pull-tabs or tipboards registered with the ~~board~~ division of inspection and enforcement and upon which the tax imposed by section 349.212, subdivision 4 1, paragraph (b), has been paid is returned unplayed to the distributor, the commissioner of revenue shall allow a refund of the tax paid.

In the case of a defective deal registered with the board and upon which the taxes have been paid is returned to the manufacturer, the distributor shall submit to the commissioner of revenue certification from the manufacturer that the deal was returned and in what respect it was defective. The certification must be in a form prescribed by the commissioner and must contain additional information the commissioner requires.

The commissioner may require that no refund under this subdivision be made unless the returned pull-tabs or tipboards have been set aside for inspection by the commissioner's employee.

Reductions in previously paid taxes authorized by this subdivision shall be made at the time and in the manner prescribed by the commissioner.

Sec. 27. Minnesota Statutes 1988, section 349.2121, subdivision 6, is amended to read:

Subd. 6. [COLLECTIONS; CIVIL PENALTIES.] (1) The provisions of chapter 297A relating to the commissioner's authority to audit, assess, and collect the tax imposed by that chapter apply to the tax, penalties and interest imposed by section 349.212, subdivision 4 1, paragraph (b). The commissioner shall impose civil penalties for violation of this section as provided in section 297A.39, and the additional tax and penalties are subject to interest at the rate provided in section 270.75.

(2) If any part of any additional assessment is due to negligence or intentional disregard of the provisions of this chapter or rules of the commissioner of revenue (but without intent to defraud), there shall be added to the tax an amount equal to ten percent of the additional assessment. The amount of the tax together with this amount shall bear interest at the rate stated in section 270.75 from the time the tax should have been paid until paid.

Sec. 28. Minnesota Statutes 1988, section 349.2121, subdivision 7, is amended to read:

Subd. 7. [RULES.] The commissioner may adopt rules, including emergency rules, for the administration and enforcement of this section and section 349.212, subdivision 4.

Sec. 29. Minnesota Statutes 1988, section 349.2121, subdivision 8, is amended to read:

Subd. 8. [PERSONAL DEBT.] The tax imposed by section 349.212, subdivision 1, paragraph (b), and interest and penalties imposed with respect to it, shall be a personal debt of the person required to file a return from the time the liability for it arises, irrespective of when the time for payment of the liability occurs. The debt shall, in the case of the executor or administrator of the estate of a decedent and in the case of any fiduciary, be that of the person in the person's official or fiduciary capacity only unless the person has voluntarily distributed the assets held in that capacity without reserving sufficient assets to pay the tax, interest, and penalties, in which event the person shall be personally liable for any deficiency.

Sec. 30. Minnesota Statutes 1988, section 349.2121, subdivision 10, is amended to read:

Subd. 10. [UNTAXED PULL-TABS OR TIPBOARDS GAMBLING EQUIPMENT.] It is a gross misdemeanor for any person to possess pull-tabs or tipboards gambling equipment for resale in this state that ~~have~~ has not been registered with the board division of inspection and enforcement, for which a registration stamp has not

been affixed to the flare, and upon which the taxes imposed by section 349.212, subdivision 4 1, paragraph (b), or chapter 297A have not been paid. The executive secretary of the charitable gambling control board director of inspection and enforcement or the commissioner of revenue or their designated inspectors and employees may seize in the name of the state of Minnesota any unregistered or untaxed pull-tabs or tipboards gambling equipment.

Sec. 31. Minnesota Statutes 1988, section 349.2122, is amended to read:

349.2122 [MANUFACTURERS; REPORTS TO THE COMMISSIONER; PENALTY.]

A manufacturer registered with licensed by the board who sells pull-tabs and tipboards to a distributor licensed by the board must file with the commissioner of revenue, on a form prescribed by the commissioner, a report of pull-tabs and tipboards sold to licensed distributors. The report must be filed monthly on or before the 25th day of the month succeeding the month in which the sale was made. Any person violating this section shall be guilty of a misdemeanor.

Sec. 32. Minnesota Statutes 1988, section 349.2125, subdivision 1, is amended to read:

Subdivision 1. [CONTRABAND DEFINED.] The following are contraband:

(1) all pull-tab or tipboard deals that do not have stamps affixed to them as provided in section 349.162;

(2) all pull-tab or tipboard deals in the possession of any unlicensed person, firm, or organization, whether stamped or unstamped;

(3) any container used for the storage and display of any contraband pull-tab or tipboard deals as defined in clauses (1) and (2);

(4) all currency, checks, and other things of value used for pull-tab or tipboard transactions not expressly permitted under this chapter, and any cash drawer, cash register, or any other container used for illegal pull-tab or tipboard transactions including its contents; and

(5) any device including, but not limited to, motor vehicles, trailers, snowmobiles, airplanes, and boats used, with the knowledge of the owner or of a person operating with the consent of the owner, for the storage or transportation of more than five pull-tab or tipboard deals that are contraband under this subdivision. When pull-tabs and tipboards are being transported in the course of interstate commerce, or from one distributor to another, the pull-tab

and tipboard deals are not contraband, notwithstanding the provisions of clause (1);

(6) any unaffixed registration stamps except as provided in section 349.162, subdivision 4;

(7) any prize used or offered in a game utilizing contraband as defined in this subdivision;

(8) any altered, modified, or counterfeit pull-tab or tipboard ticket;

(9) any unregistered gambling equipment except as permitted by this chapter; and

(10) any gambling equipment kept in violation of section 349.18.

Sec. 33. Minnesota Statutes 1988, section 349.2125, subdivision 2, is amended to read:

Subd. 2. [SEIZURE.] ~~Pull tabs or tipboards or other Property made contraband by subdivision 1 may be seized by the commissioner of revenue or the executive secretary of the charitable gambling control board~~ director of inspection and enforcement or their authorized agents or by any sheriff or other police officer, hereinafter referred to as the seizing authority, with or without process, and shall be subject to forfeiture as provided in subdivisions 3 and 4.

Sec. 34. Minnesota Statutes 1988, section 349.2125, subdivision 3, is amended to read:

Subd. 3. [INVENTORY; JUDICIAL DETERMINATION; APPEAL; DISPOSITION OF SEIZED PROPERTY.] Within two days after the seizure of any alleged contraband, the person making the seizure shall deliver an inventory of the property seized to the person from whom the property was seized, if known, and file a copy with the commissioner or the ~~executive secretary of the charitable gambling control board~~ director of inspection and enforcement. Within ten days after the date of service of the inventory, the person from whom the property was seized or any person claiming an interest in the property may file with the seizing authority a demand for judicial determination of whether the property was lawfully subject to seizure and forfeiture. Within 30 days after the date of filing of the demand, the seizing authority must bring an action in the district court of the county where seizure was made to determine the issue of forfeiture. The action must be brought in the name of the state and be prosecuted by the county attorney or by the attorney general. The court shall hear the action without a jury and determine the issues of fact and laws involved. When a judgment of forfeiture is entered, the seizing authority may, unless the judgment

is stayed pending an appeal, either (1) cause the forfeited property to be destroyed; or (2) cause it to be sold at a public auction as provided by law.

If demand for judicial determination is made and no action is commenced as provided in this subdivision, the property must be released by the seizing authority and delivered to the person entitled to it. If no demand is made, the property seized is considered forfeited to the state by operation of law and may be disposed of by the seizing authority as provided where there has been a judgment of forfeiture. When the seizing authority is satisfied that a person from whom property is seized was acting in good faith and without intent to evade the tax imposed by section 349.2121, subdivision 4 349.212, subdivision 1, paragraph (b), the seizing authority shall release the property seized without further legal proceedings.

Sec. 35. Minnesota Statutes 1988, section 349.2127, subdivision 2, is amended to read:

Subd. 2. [PROHIBITION AGAINST POSSESSION.] (a) No person, other than a licensed distributor, shall sell, offer for sale, or have in possession with intent to sell or offer for sale, a pull-tab or tipboard deal not stamped in accordance with the provisions of this chapter.

(b) No person other than a licensed distributor or licensed or exempt organization under section 349.214 may possess gambling equipment, except (1) equipment exempt from taxation under section 349.212, subdivision 1, paragraph (b), or (2) equipment put into play by a licensed or exempt organization.

(c) No person, firm, or organization may possess altered, modified, or counterfeit pull-tabs or tipboard tickets with intent to sell, redeem, or exchange them.

Sec. 36. Minnesota Statutes 1988, section 349.214, subdivision 2, is amended to read:

Subd. 2. [LAWFUL GAMBLING.] (a) Raffles may be conducted by an organization as defined in section 349.12, subdivision 12, without complying with sections 349.11 to 349.14 and 349.151 to 349.213 if the value of all raffle prizes awarded by the organization in a calendar year does not exceed \$750.

(b) Lawful gambling may be conducted by an organization as defined in section 349.12; subdivision 12, without complying with sections 349.11 to 349.14 and 349.151 to 349.212 if:

(1) the organization conducts lawful gambling on five or fewer days in a calendar year;

(2) the organization does not award more than \$50,000 in prizes for lawful gambling in a calendar year;

(3) the organization notifies the board in writing not less than 30 days before each lawful gambling occasion of the date and location of the occasion, the types of lawful gambling to be conducted, the prizes to be awarded, and receives an exemption identification number;

(4) the organization notifies the local government unit 30 days before the lawful gambling occasion;

(5) the organization purchases all gambling equipment and supplies from a licensed distributor; and

(6) the organization reports to the board, on a single page form prescribed by the board, within 30 days of each gambling occasion, the gross receipts, prizes, expenses, expenditures of net profits from the occasion, and the identification of the licensed distributor from whom all gambling equipment was purchased.

(c) If the organization fails to file a timely report as required by paragraph (b), clause (3) or (6), a \$250 penalty is imposed on the organization. Failure to file a timely report does not disqualify the organization as exempt under this paragraph if a report is subsequently filed and the penalty paid.

(d) Merchandise prizes must be valued at their fair market value.

(e) Notwithstanding paragraph (b), an organization which conducts bingo under this subdivision must comply with section 349.211, subdivisions 1 and 2.

(f) Unused pull-tab and tipboard deals must be returned to the distributor within seven days after the end of the lawful gambling occasion. The distributor must accept and pay a refund for all returns of unopened and undamaged deals returned under this paragraph.

Sec. 37. [349.215] [EXAMINATIONS.]

Subdivision 1. [EXAMINATION OF TAXPAYER.] To determine the accuracy of a return or report, or in fixing liability under this chapter, the commissioner may make reasonable examinations or investigations of a taxpayer's place of business, tangible personal property, equipment, computer systems and facilities, pertinent books, records, papers, vouchers, computer printouts, accounts, and documents.

Subd. 2. [ACCESS TO RECORDS OF OTHER PERSONS IN CONNECTION WITH EXAMINATION OF TAXPAYER.] When

conducting an investigation or an audit of a taxpayer, the commissioner may examine, except where privileged by law, the relevant records and files of a person, business, institution, financial institution, state agency, agency of the United States government, or agency of another state where permitted by statute, agreement, or reciprocity. The commissioner may compel production of these records by subpoena. A subpoena may be served directly by the commissioner.

Subd. 3. [POWER TO COMPEL TESTIMONY.] In the administration of this chapter, the commissioner may:

(1) administer oaths or affirmations and compel by subpoena the attendance of witnesses, testimony, and the production of a person's pertinent books, records, papers, or other data;

(2) examine under oath or affirmation any person regarding the business of a taxpayer concerning a matter relevant to the administration of this chapter. The fees of witnesses required by the commissioner to attend a hearing are equal to those allowed to witnesses appearing before courts of this state. The fees must be paid in the manner provided for the payment of other expenses incident to the administration of state tax law; and

(3) in addition to other remedies available, bring an action in equity by the state against a taxpayer for an injunction ordering the taxpayer to file a complete and proper return or amended return. The district courts of this state shall have jurisdiction over the action, and disobedience of an injunction issued under this clause may be punished as a contempt of district court.

Subd. 4. [THIRD PARTY SUBPOENA WHERE TAXPAYER'S IDENTITY IS KNOWN.] An investigation may extend to any person that the commissioner determines has access to information that may be relevant to the examination or investigation. When a subpoena requiring the production of records under subdivision 2 is served on a third-party record keeper, written notice of the subpoena must be mailed to the taxpayer and to any other person who is identified in the subpoena. The notices must be given within three days of the day on which the subpoena is served. Notice to the taxpayer required by this section is sufficient if it is mailed to the last address on record with the commissioner.

Subd. 5. [THIRD PARTY SUBPOENA WHERE TAXPAYER'S IDENTITY IS NOT KNOWN.] A subpoena that does not identify the person or persons whose tax liability is being investigated may be served only if:

(1) the subpoena relates to the investigation of a particular person or ascertainable group or class of persons;

(2) there is a reasonable basis for believing that the person or group or class of persons may fail or may have failed to comply with tax laws administered by the commissioner;

(3) the subpoena is clear and specific concerning information sought to be obtained; and

(4) the information sought to be obtained is limited solely to the scope of the investigation.

A party served with a subpoena that does not identify the person or persons with respect to whose tax liability the subpoena is issued may, within three days after service of the subpoena, petition the district court in the judicial district in which that party is located for a determination whether the commissioner has complied with all the requirements in clauses (1) to (4), and thus, whether the subpoena is enforceable. If no petition is made by the party served within the time prescribed, the subpoena has the effect of a court order.

Subd. 6. [REQUEST BY TAXPAYER FOR SUBPOENA.] When the commissioner has the power to issue a subpoena for investigative or auditing purposes, then the commissioner shall honor a reasonable request by the taxpayer to issue a subpoena on the taxpayer's behalf, if in connection with the investigation or audit.

Subd. 7. [APPLICATION TO COURT FOR ENFORCEMENT OF SUBPOENA.] The commissioner or the taxpayer may apply to the district court of the county of the taxpayer's residence, place of business, or county where the subpoena can be served as with any other case at law, for any order compelling the appearance of the subpoenaed witness or the production of the subpoenaed records. Failure to comply with the order of the court for the appearance of a witness or the production of records may be punished by the court as for contempt.

Subd. 8. [COST OF PRODUCTION OF RECORDS.] The reasonable costs of producing records of a third party required by a subpoena must be paid by the taxpayer, if the taxpayer requests the subpoena to be issued, or if the taxpayer has the records available but has refused to provide them to the commissioner. In other cases where the taxpayer is unable to produce records and the commissioner then initiates a subpoena for third-party records, the commissioner shall pay the reasonable cost of producing the records. The commissioner may later assess the reasonable costs against the taxpayer if the records contribute to the determination of an assessment of tax against the taxpayer.

Subdivision 1. [GENERALLY.] The commissioner shall make determinations, corrections, and assessments with respect to taxes (including interest, additions to taxes, and assessable penalties) imposed under this chapter.

Subd. 2. [ORDER OF ASSESSMENT; NOTICE AND DEMAND TO TAXPAYER.] (a) When a return has been filed and the commissioner determines that the tax disclosed by the return is different than the tax determined by the examination, the commissioner shall send an order of assessment to the taxpayer. The order must explain the basis for the assessment and must explain the taxpayer's appeal rights. An assessment by the commissioner must be made by recording the liability of the taxpayer in the office of the commissioner, which may be done by keeping a copy of the order of assessment sent to the taxpayer. An order of assessment is final when made but may be reconsidered by the commissioner under section 349.218.

(b) The amount of unpaid tax shown on the order must be paid to the commissioner: (1) within 60 days after notice of the amount and demand for its payment have been mailed to the taxpayer by the commissioner; or (2) if an administrative appeal is filed under section 349.218 within 60 days following the determination or compromise of the appeal.

Sec. 39. [349.216] [CIVIL PENALTIES.]

Subdivision 1. [PENALTY FOR FAILURE TO PAY TAX.] If a tax is not paid within the time specified for payment, a penalty is added to the amount required to be shown as tax. The penalty is three percent of the unpaid tax if the failure is for not more than 30 days, with an additional penalty of three percent of the amount of tax remaining unpaid during each additional 30 days or fraction of 30 days during which the failure continues, not exceeding 24 percent in the aggregate.

If the taxpayer has not filed a return, for purposes of this subdivision, the time specified for payment is the final date a return should have been filed.

Subd. 2. [PENALTY FOR FAILURE TO MAKE AND FILE RETURN.] If a taxpayer fails to make and file a return within the time prescribed or an extension, a penalty is added to the tax. The penalty is three percent of the amount of tax not paid on or before the date prescribed for payment of the tax if the failure is for not more than 30 days, with an additional five percent of the amount of tax remaining unpaid during each additional 30 days or fraction of 30 days, during which the failure continues, not exceeding 23 percent in the aggregate.

If a taxpayer fails to file a return within 60 days of the date

prescribed for filing of the return (determined with regard to any extension of time for filing), the addition to tax under this subdivision must be at least the lesser of: (1) \$200; or (2) the greater of (a) 25 percent of the amount required to be shown as tax on the return without reduction for any payments made or refundable credits allowable against the tax, or (b) \$50.

Subd. 3. [COMBINED PENALTIES.] When penalties are imposed under subdivisions 1 and 2, except for the minimum penalty under subdivision 2, the penalties imposed under both subdivisions combined must not exceed 38 percent.

Subd. 4. [PENALTY FOR INTENTIONAL DISREGARD OF LAW OR RULES.] If part of an additional assessment is due to intentional disregard of the provisions of the applicable chapters of rules of the commissioner (but without intent to defraud), there is added to the tax an amount equal to ten percent of the additional assessment.

Subd. 5. [PENALTY FOR FALSE OR FRAUDULENT RETURN; EVASION.] If a person files a false or fraudulent return, or attempts in any manner to evade or defeat a tax or payment of tax, there is imposed on the person a penalty of not more than 50 percent of the tax found due for the period to which the return related, less amounts paid by the person on the basis of the false or fraudulent return.

Subd. 6. [PENALTY FOR SALES AFTER REVOCATION, SUSPENSION, OR EXPIRATION.] A distributor who engages in, or whose representative engages in, the offering for sale, sale, transport, delivery, or furnishing of gambling equipment to a person, firm, or organization, after the distributor's license or permit has been revoked or suspended, or has expired, and until such license or permit has been reinstated or renewed, is liable for a penalty of \$1,000 for each day the distributor continues to engage in the activity. This subdivision does not apply to the transport of gambling equipment for the purpose of returning the equipment to a licensed manufacturer.

Subd. 7. [PAYMENT OF PENALTIES.] The penalties imposed by this section must be collected and paid in the same manner as taxes.

Subd. 8. [PENALTIES ARE ADDITIONAL.] The civil penalties imposed by this section are in addition to the criminal penalties imposed by this chapter.

Subd. 9. [ORDER PAYMENTS CREDITED.] All payments received may be credited first to the oldest liability not secured by a judgment or lien in the discretion of the commissioner of revenue, but in all cases must be credited first to penalties, next to interest, and then to the tax due.

Sec. 40. [349.2161] [TAX-RELATED CRIMINAL PENALTIES.]

Subdivision 1. [PENALTY FOR FAILURE TO FILE OR PAY.] (a) A person required to file a return, report, or other document with the commissioner, who knowingly fails to file it when required, is guilty of a gross misdemeanor. A person required to file a return, report, or other document who willfully attempts to evade or defeat a tax by failing to file it when required is guilty of a felony.

(b) A person required to pay or to collect and remit a tax, who knowingly fails to do so when required, is guilty of a gross misdemeanor. A person required to pay or to collect and remit a tax, who willfully attempts to evade or defeat a tax law by failing to do so when required is guilty of a felony.

Subd. 2. [FALSE OR FRAUDULENT RETURNS; PENALTIES.]

(a) A person required to file a return, report, or other document with the commissioner, who delivers to the commissioner a return, report, or other document known by the person to be fraudulent or false concerning a material matter, is guilty of a felony.

(b) A person who knowingly aids or assists in, or advises in the preparation or presentation of a return, report, or other document that is fraudulent or false concerning a material matter, whether or not the falsity or fraud committed is with the knowledge or consent of the person authorized or required to present the return, report, or other document, is guilty of a felony.

Subd. 3. [SALES WITHOUT PERMIT; VIOLATIONS.] (a) A person who engages in the business of selling pull-tabs or tipboards in Minnesota without the licenses or permits required under this chapter, or an officer of a corporation who so engages in the sales, is guilty of a gross misdemeanor.

(b) A person selling gambling equipment in Minnesota after revocation, suspension, or expiration of a license or permit under this chapter, when the commissioner or the board has not issued a new license or permit, or before the suspension period has ended, is guilty of a felony.

Subd. 4. [CRIMINAL PENALTIES.] Criminal penalties imposed by this section are in addition to civil penalties imposed by this chapter.

Sec. 41. [349.217] [INTEREST.]

Subdivision 1. [INTEREST RATE.] When an interest assessment is required under this section, interest is computed at the rate specified in section 270.75.

Subd. 2. [LATE PAYMENT.] If a tax is not paid within the time specified by law for payment, the unpaid tax bears interest from the date the tax should have been paid until the date the tax is paid.

Subd. 3. [EXTENSIONS.] If an extension of time for payment has been granted, interest must be paid from the date the payment should have been made if no extension had been granted, until the date the tax is paid.

Subd. 4. [ADDITIONAL ASSESSMENTS.] If a taxpayer is liable for additional taxes because of a redetermination by the commissioner, or for any other reason, the additional taxes bear interest from the time the tax should have been paid, without regard to any extension allowed, until the date the tax is paid.

Subd. 5. [ERRONEOUS REFUNDS.] In the case of an erroneous refund, interest accrues from the date the refund was paid unless the erroneous refund results from a mistake of the department, then no interest or penalty is imposed unless the deficiency assessment is not satisfied within 60 days of the order.

Subd. 6. [INTEREST ON JUDGMENTS.] Notwithstanding section 549.09, if judgment is entered in favor of the commissioner with regard to any tax, the judgment bears interest at the rate specified in section 270.75 from the date the judgment is entered until the date of payment.

Subd. 7. [INTEREST ON PENALTIES.] (a) A penalty imposed under section 349.2161, subdivision 1, 2, 3, 4, or 5, bears interest from the date the return or payment was required to be filed or paid (including any extensions) to the date of payment of the penalty.

(b) A penalty not included in paragraph (a) bears interest only if it is not paid within ten days from the date of notice. In that case interest is imposed from the date of notice to the date of payment.

Sec. 42. [349.218] [ADMINISTRATIVE REVIEW.]

Subdivision 1. [TAXPAYER RIGHT TO RECONSIDERATION.] A taxpayer may obtain reconsideration by the commissioner of an order assessing tax, a denial of a request for abatement of penalty assessed under section 349.152, subdivision 1, clause (5), or 349.2161, or a denial of a claim for refund of money paid to the commissioner under provisions, assessments, or orders under this chapter by filing an administrative appeal as provided in subdivision 4. A taxpayer cannot obtain reconsideration if the action taken by the commissioner is the outcome of an administrative appeal.

Subd. 2. [APPEAL BY TAXPAYER.] A taxpayer who wishes to

seek administrative review must follow the procedure provided by subdivision 4.

Subd. 3. [NOTICE DATE.] For purposes of this section, the term "notice date" means the date of the order adjusting the tax or order denying a request for abatement, or, in the case of a denied refund, the date of the notice of denial.

Subd. 4. [TIME AND CONTENT FOR ADMINISTRATIVE APPEAL.] Within 60 days after the notice date, the taxpayer must file a written appeal with the commissioner. The appeal need not be in any particular form but must contain the following information:

- (1) name and address of the taxpayer;
- (2) if a corporation, the state of incorporation of the taxpayer, and the principal place of business of the corporation;
- (3) the Minnesota identification number or social security number of the taxpayer;
- (4) the type of tax involved;
- (5) the date;
- (6) the tax years or periods involved and the amount of tax involved for each year or period;
- (7) the findings in the notice that the taxpayer disputes;
- (8) a summary statement that the taxpayer relies on for each exception; and
- (9) the taxpayer's signature or signature of the taxpayer's duly authorized agent.

Subd. 5. [EXTENSIONS.] When requested in writing and within the time allowed for filing an administrative appeal, the commissioner may extend the time for filing an appeal for a period not to exceed 30 days from the expiration of the 60 days from the notice date.

Subd. 6. [AUTOMATIC EXTENSION OF STATUTE OF LIMITATIONS.] Notwithstanding any statute of limitations to the contrary, when the commissioner has made a determination and the taxpayer has authority to file an administrative appeal, the period during which the commissioner can make further assessments or other determinations does not expire before:

(1) 90 days after the notice date if no protest is filed under subdivision 4; or

(2) 90 days after the commissioner notifies the taxpayer of the determination on the appeal.

Subd. 7. [DETERMINATION OF APPEAL.] On the basis of applicable law and available information, the commissioner shall determine the validity, if any, in whole or part of the appeal and notify the taxpayer of the decision. This notice must be in writing and contain the basis for the determination.

Subd. 8. [AGREEMENT DETERMINING TAX LIABILITY.] When it appears to be in the best interests of the state, the commissioner may settle taxes, penalties, or interest that the commissioner has under consideration by virtue of an appeal filed under this section. An agreement must be in writing and signed by the commissioner and the taxpayer or the taxpayer's representative authorized by the taxpayer to enter into an agreement. An agreement must be filed in the office of the commissioner.

Subd. 9. [APPEAL OF AN ADMINISTRATIVE APPEAL.] Following the determination or settlement of an appeal, the commissioner must issue an order reflecting that disposition. Except in the case of an agreement determining tax under this section, the order is appealable to the Minnesota tax court under section 271.06.

Subd. 10. [APPEAL WHERE NO DETERMINATION.] If the commissioner does not make a determination within six months of the filing of an administrative appeal, the taxpayer may elect to appeal to tax court.

Subd. 11. [EXEMPTION FROM ADMINISTRATIVE PROCEDURE ACT.] This section is not subject to chapter 14.

Sec. 43. Minnesota Statutes 1988, section 349.22, subdivision 1, is amended to read:

Subdivision 1. [GROSS MISDEMEANOR.] A person who in any manner violates sections 349.11 to 349.214 349.23 to evade the a tax imposed by a provision of this chapter, or who aids and abets evasion of the a tax, or hinders or interferes with a seizing authority when a seizure is made as provided by section 349.2125, is guilty of a gross misdemeanor.

Sec. 44. Minnesota Statutes 1988, section 349.22, subdivision 3, is amended to read:

Subd. 3. [FELONY.] (a) A person violating section 349.2127, subdivision 1 or 3, is guilty of a felony.

(b) A person ~~violating~~ who violates section 349.2127, subdivisions 2 and 4, by possessing, receiving, or transporting more than ten pull-tab or tipboard deals not stamped in accordance with this chapter or games, or any combination thereof which exceeds ten deals or games, is guilty of a felony.

Sec. 45. [349.24] [DEPOSIT OF RECEIPTS.]

All revenue collected under sections 349.11 to 349.23, including fees, fines, taxes, interest, civil penalties, and revenue from the disposition of seized property, other than revenue from fees and taxes imposed and collected by local units of government, must be deposited in the general fund as nondedicated receipts.

Sec. 46. [REPEALER.]

Minnesota Statutes 1988, sections 349.161, subdivision 7; 349.164, subdivision 5; 349.171; and 349.22, subdivision 4, are repealed.

Sec. 47. [EFFECTIVE DATE.]

Sections 1 to 46 are effective July 1, 1989.

ARTICLE 3
STATE LOTTERY

Section 1. [349A.01] [STATEMENT OF POLICY.]

The legislature finds that for the purpose of raising necessary additional revenue for public purposes by means of a state-operated lottery in conformity with all applicable laws and rules, consistent with the public interest, the dignity of the state and the need for the highest levels of integrity and public confidence, there is a need to establish a state lottery.

Sec. 2. [349A.02] [DEFINITIONS.]

Subdivision 1. [TERMS DEFINED.] For the purposes of this chapter, the terms defined in this section have the meanings given them.

Subd. 2. [BOARD.] "Board" is the state lottery board established in section 4.

Subd. 3. [DIRECTOR.] "Director" is the director of the state lottery.

Subd. 4. [DEPARTMENT.] "Department" is the department of the state lottery.

Subd. 5. [LOTTERY.] "Lottery" is the state lottery operated by the department of the state lottery.

Subd. 6. [PERSON.] "Person" is an individual, firm, association, partnership, corporation, trustee, or legal representative.

Subd. 7. [MAJOR PROCUREMENT CONTRACT.] "Major procurement contract" is a contract to provide lottery products, computer hardware and software used to monitor sales of lottery tickets, or lottery tickets. Major procurement contracts do not include contracts to provide annuity or prize payment agreements, and materials, supplies, equipment, and services common to the ordinary operations of state agencies.

Sec. 3. [349A.03] [STATE LOTTERY DEPARTMENT.]

Subdivision 1. [DIRECTOR.] A state lottery department is established under the control of the director of the state lottery appointed by the governor with the advice and consent of the senate. The governor shall appoint the first director from a list of at least three persons recommended to the governor by the governor's commission on the lottery which was appointed by the governor on December 8, 1988. The director must be qualified by experience and training to supervise the lottery. The director serves in the unclassified service.

Subd. 2. [REMOVAL.] (a) The director may be removed from that position only by the governor. The director may be removed, after notice and a hearing if requested, only for:

(1) violating section 12;

(2) malfeasance, nonfeasance, or misfeasance as defined in section 351.14, subdivisions 2, 3, and 4; or

(3) failure to perform adequately the duties of the director.

(b) For the purposes of this subdivision, adequate performance of the director may be determined by:

(1) gross revenue from the sale of lottery tickets;

(2) efficiency of the administration of lottery operations;

(3) public confidence in the integrity of the lottery; and

(4) compliance with advertising requirements in section 10.

Subd. 3. [POWERS AND DUTIES.] The director shall operate the lottery consistent with the policy in section 1. In doing so, the director shall exercise the following powers and duties:

- (1) adopt rules and game procedures;
- (2) issue lottery retailer contracts;
- (3) make contracts for the provision of goods and services to the lottery;
- (4) employ personnel as are required to operate the lottery; and
- (5) take all necessary steps to ensure the integrity of, and public confidence in, the state lottery.

Subd. 4. [EMPLOYEES; CLASSIFICATION.] The director may appoint other personnel as are necessary to operate the state lottery. Employees of the department who are not professional employees as defined in section 179A.03, subdivision 13, and employees whose primary responsibilities are in data processing and accounting, are in the classified service. All other employees of the department are in the unclassified service.

Subd. 5. [COMPENSATION.] The compensation of employees in the department is as provided in chapter 43A. The commissioner of employee relations may, at the request of the director, develop and implement a plan for making incentive payments to employees of the division whose primary responsibilities are in marketing.

Subd. 6. [EMPLOYEES; BACKGROUND CHECKS.] The director shall conduct background checks, or request the director of inspection and enforcement to make background checks, on all prospective employees who are finalists as defined in section 13.43, subdivision 3, and may require that all employees of the department be fingerprinted. No person may be employed by the department who has been convicted of a felony or a crime involving fraud or misrepresentation within five years of starting employment with the department, or has ever been convicted of a gambling-related offense. The director has access to all criminal history data compiled by the bureau of criminal apprehension or the division of inspection and enforcement on employees and prospective employees of the lottery. The director may employ necessary persons pending the completion of a background check.

Subd. 7. [ASSISTANCE.] The director may request any other department or agency of the state, including the division of inspection and enforcement, to provide reasonable assistance to the director in carrying out the director's duties. The director shall make appropriate reimbursement for all assistance.

Sec. 4. [349A.04] [STATE LOTTERY BOARD.]

Subdivision 1. [BOARD CREATED.] There is created a state lottery board. The board consists of five members appointed by the governor. Not more than three of the members appointed by the governor may belong to the same political party and at least two members must reside outside the seven-county metropolitan area. The terms of office, removal from office, and compensation of members of the board, are as provided in section 15.059. The members of the board shall select the chair of the board.

Subd. 2. [BOARD DUTIES.] The board has the following duties:

- (1) to advise the director on all aspects of the lottery;
- (2) to review and comment on rules and game procedures adopted by the director;
- (3) to review and comment on advertising promulgated by the director at least quarterly to ensure that all advertising is consistent with the dignity of the state and with section 10; and
- (4) to approve additional compensation for the director under subdivision 3.

Subd. 3. [DIRECTOR; ADDITIONAL COMPENSATION.] The board shall adopt objective criteria for evaluating the performance of the director. The criteria must include, but is not limited to, the performance factors in section 3, subdivision 2, paragraph (b), clauses (1) to (4). The board may approve, by majority vote of all members, compensation for the director in addition to the compensation provided under section 15A.081, subdivision 1, based on the director's performance in office as evaluated according to the board's criteria. The additional compensation shall be paid from the lottery operations fund. The board may not approve additional compensation under this subdivision more often than once in a 12-month period.

Sec. 5. [349A.05] [LOTTERY GAME PROCEDURES.]

The director may adopt game procedures governing the following elements of the lottery:

- (1) lottery games;
- (2) ticket prices;
- (3) number and size of prizes;
- (4) methods of selecting winning tickets; and

(5) frequency and method of drawings.

The adoption of lottery game procedures is not subject to chapter 14. Before adopting a lottery game procedure, the director shall submit the procedure to the board for its review and comment.

Sec. 6. [349A.06] [RULES.]

The director may adopt rules, including emergency rules, under chapter 14, governing the following elements of the lottery:

- (1) the number and types of lottery retailers' locations;
- (2) qualifications of lottery retailers and application procedures for lottery retailer contracts;
- (3) investigation of lottery retailer applicants;
- (4) appeal procedures for denial, suspension, or cancellation of lottery retailer contracts, and appeals to the board on refusal to issue an initial lottery retailer contract;
- (5) compensation of lottery retailers;
- (6) accounting for and deposit of lottery revenues by lottery retailers;
- (7) procedures for issuing major procurement contracts and for the investigation of bidders on those contracts;
- (8) payment of prizes;
- (9) procedures needed to ensure the integrity and security of the lottery; and
- (10) other rules the director considers necessary for the efficient operation and administration of the lottery. Before adopting a rule, the director shall submit the rule to the board for its review and comment.

Sec. 7. [349A.07] [LOTTERY RETAILERS.]

Subdivision 1. [CONTRACTS.] The director shall sell tickets for the lottery through lottery retailers with whom the director contracts. Contracts under this section are valid for a period of one year.

Subd. 2. [QUALIFICATIONS.] (a) The director may not contract with a retailer who:

(1) is under the age of 18;

(2) is in business solely as a seller of lottery tickets;

(3) has been convicted within the previous five years of a felony or gross misdemeanor, any crime involving fraud or misrepresentation, or a gambling-related offense;

(4) is a member of the immediate family, residing in the same household, as the director, board member, or any employee of the department; or

(5) in the director's judgment does not have the financial stability or responsibility to act as a lottery retailer, or whose contracting as a lottery retailer would adversely affect the public health, welfare, and safety, or endanger the security and integrity of the lottery.

(b) An organization, firm, partnership, or corporation that has (1) a stockholder who owns more than five percent of the stock of the corporation, or (2) an officer or director that does not meet the requirements of paragraph (a), clause (3), is not eligible to be a lottery retailer under this section.

(c) The restrictions under paragraph (a), clause (3), do not apply to an organization, partnership, or corporation if the director determines that the organization, partnership, or firm has terminated its relationship with the individuals whose actions directly contributed to the disqualification under this subdivision.

Subd. 3. [BOND.] The director shall require that each lottery retailer post a bond, in an amount as the director deems necessary, to protect the financial interests of the state.

Subd. 4. [CRIMINAL HISTORY.] The director may request the director of inspection and enforcement to investigate all applicants for lottery retailer contracts to determine their compliance with the requirements of subdivision 2. The director may issue a temporary contract, valid for not more than 90 days, to an applicant pending the completion of the investigation or a final determination of qualifications under this section.

Subd. 5. [RESTRICTIONS ON LOTTERY RETAILERS.] (a) A lottery retailer may sell lottery tickets only on the premises described in the contract.

(b) A lottery retailer must prominently display a certificate issued by the director on the premises where lottery tickets will be sold.

(c) A lottery retailer must keep a complete set of books of account, correspondence, and all other records necessary to show fully the

retailer's lottery transactions and make them available for inspection by employees of the division at all times during business hours. The director may require a lottery retailer to furnish information as the director deems necessary to carry out the purposes of this chapter and may require an audit to be made of the books of account and records. The director may select an auditor to perform the audit and may require the retailer to pay the cost of the audit. The auditor has the same right of access to the books of account, correspondence, and other records as is given to employees of the department.

(d) A contract issued under this section may not be transferred or assigned.

(e) The director shall require that lottery tickets may be sold by retailers only for cash.

Subd. 6. [ON-SALE LIQUOR ESTABLISHMENTS.] The director may not authorize the sale of lottery tickets within establishments licensed to sell alcoholic beverages for consumption on the premises that, within the previous five years of applying to be a lottery retailer, have had a licensed organization conducting lawful gambling on the premises under chapter 349.

Subd. 7. [NONPROFIT ORGANIZATIONS.] The director may not enter into a contract with a nonprofit organization to act as a lottery retailer under this section.

Subd. 8. [RETENTION BY RETAILERS.] The director may by rule provide for:

(1) amounts which a lottery retailer may retain from gross receipts from the sale of lottery tickets in order to pay prizes to holders of winning tickets; and

(2) amounts which a lottery retailer may retain from gross receipts from the sale of lottery tickets as a commission.

Subd. 9. [RETAILER RENTAL PAYMENTS.] If a lottery retailer's rental payments for the business premises are contractually computed, in whole or in part, on the basis of a percentage of retail sales, and the computation of retail sales is not explicitly defined to include the sale of lottery tickets, the compensation retained by the sales agent for the sale of lottery tickets shall be considered the amount of the retail sale for purposes of computing the rental payments.

Subd. 10. [PROCEEDS OF SALES.] All proceeds from the sale of lottery tickets received by a lottery retailer constitute a trust fund until paid to the director. The lottery retailer is personally liable for all proceeds.

Subd. 11. [PRIVATE DATA.] All reports filed by lottery retailers with the director are private data under chapter 13.

Subd. 12. [FEE.] The director may charge a nonrefundable application fee to a person applying for a lottery retailer contract in an amount sufficient to cover the costs of making the investigation required under subdivision 4. The fee collected under this subdivision must be deposited in the state lottery fund.

Subd. 13. [LOCAL LICENSES.] No political subdivision may require a local license to operate as a lottery retailer or impose a tax or fee on the business of operating as a lottery retailer.

Subd. 14. [REVOCAION, SUSPENSION, AND REFUSAL TO RENEW LICENSES.] (a) The director may cancel the contract of any lottery retailer who:

(1) has been convicted of a felony or gross misdemeanor in any federal or state court;

(2) has committed fraud, misrepresentation, or deceit;

(3) has provided false or misleading information to the division; or

(4) has acted in a manner prejudicial to public confidence in the integrity of the lottery.

(b) The director may cancel, suspend, or refuse to renew the contract of any lottery retailer who:

(1) changes business location;

(2) fails to account for lottery tickets received or the proceeds from tickets sold;

(3) fails to remit funds to the director in accordance with the director's rules;

(4) violates a law or a rule or order of the director;

(5) fails to comply with any of the terms in the lottery retailer's contract;

(6) fails to comply with bond requirements under this section;

(7) in the opinion of the director fails to maintain a sufficient sales volume to justify continuation as a lottery retailer; or

(8) has violated section 340A.503, subdivision 2, clause (1), two or more times within a two-year period.

(c) The director may also cancel, suspend, or refuse to renew a lottery retailer's contract if there is a material change in any of the factors considered by the director under subdivision 2.

(d) A contract cancellation, suspension, or refusal to renew under this subdivision is a contested case under sections 14.57 to 14.69 and is in addition to any criminal penalties provided for a violation of law or rule.

(e) The director may temporarily suspend a contract without notice for any of the reasons specified in this subdivision provided that a hearing is conducted within seven days after a request for a hearing is made by a lottery retailer. Within 20 days after receiving the administrative law judge's report, the director shall issue an order vacating the temporary suspension or making any other appropriate order. If no hearing is requested within 30 days of the temporary suspension taking effect, the director may issue an order making the suspension permanent.

(f) A decision by the director not to issue a lottery retailer contract to an applicant who does not have such a contract may be appealed to the board under procedures adopted by the director by rule. A ruling by the board on the appeal is binding on the director.

Sec. 8. [349A.08] [VENDOR CONTRACTS.]

Subdivision 1. [CONTRACTS AUTHORIZED.] The director may enter into major procurement contracts for the purchase, lease, or lease-purchase of the goods or services that are necessary for the purposes of this chapter. In entering into all major procurement contracts, the director shall utilize an open bid process and shall take into account the particularly sensitive nature of the state lottery and shall consider the competence, quality of product, experience, and timely performance of each potential vendor in order to promote and ensure security, honesty, fairness, and integrity in the operation and administration of the lottery. The director shall also consider the extent to which each potential vendor would utilize employees and facilities within Minnesota in fulfilling the contract.

Subd. 2. [INVESTIGATION OF POTENTIAL VENDORS.] The director shall request the director of the division of inspection and enforcement to investigate the background, financial responsibility, security, and integrity of any person who submits a bid, proposal, or offer as part of a major procurement contract issuance by the agency. The director shall require the person making the bid, proposal, or offer to pay for the cost of the investigation. Any fee collected under this subdivision must be deposited into the state

lottery fund. At the time of submitting any bid, proposal, or offer, the bidder shall disclose to the director the information the director considers necessary to carry out the purposes of this section. The director has access to all criminal history data compiled by the division of inspection and enforcement on all vendors and potential vendors who have submitted a bid to the agency.

Subd. 3. [PERSONS INELIGIBLE FOR CONTRACT.] (a) The director may not enter into a major procurement contract with an applicant that has been convicted of a felony in a state or federal court within the last ten years, has been convicted of a gambling-related gross misdemeanor, or misdemeanor within the last five years, or has been found guilty of any crime involving fraud or misrepresentation within the last five years.

(b) The director may not enter into a major procurement contract with an applicant that has (1) a person who owns more than five percent of the stock in the applicant that does not meet the requirements of this subdivision, or (2) a partner, officer, or director that does not meet the requirements of this subdivision.

(c) The restrictions under this subdivision do not apply to an applicant for a major procurement contract if the director determines that the applicant has terminated its relationship with the individuals whose actions directly contributed to the disqualification of the applicant under this subdivision.

Subd. 4. [CONFLICT OF INTEREST.] The director may not enter into a major procurement contract with a person to supply goods or services if that person has an ownership interest in an entity that had supplied consultation services to the lottery regarding the request for proposal pertaining to those particular goods or services.

Subd. 5. [BOND.] (a) The director shall require securities to be deposited, or a performance bond or a letter of credit to be executed by the person or corporation that is awarded a major procurement contract in an amount as determined by the director.

(b) Any securities deposited with the director under this subdivision must be interest-bearing and limited to:

(1) certificates of deposit issued by a solvent bank or savings association organized and existing under the laws of this state or under the laws of the United States and having its principal place of business in this state;

(2) United States bonds, notes, and bills, for which the full faith and credit of the government of the United States is pledged for the payment of principal and interest; and

(3) general obligation bonds of any political subdivision of this state, or corporate bonds of a corporation that is not an affiliate or subsidiary of the vendor, if the general obligation bonds or corporate bonds are rated in one of the four highest classifications by an established nationally-recognized investment rating service.

(c) Any letter of credit executed under this subdivision must provide that:

(1) nothing more than a demand for payment is necessary for payment and is not conditional on the delivery of any other documents or materials;

(2) the letter of credit is irrevocable and cannot be modified or revoked without the consent of the director;

(3) the letter of credit cannot expire without notice from the issuer and the notice must occur at least 60 days before the expiration date of the letter of credit;

(4) the letter of credit is issued by a bank which is a member of the federal reserve system which has a long-term debt rating by a recognized national rating agency of investment grade or better;

(5) the letter of credit is unconditional, is not conditional upon reimbursement to the bank or the bank's ability to perfect any lien or security interest, and does not contain references to any other agreement, document, or entity; and

(6) the letter of credit designates the director as beneficiary.

Subd. 6. [EXEMPTIONS.] Major procurement contracts entered into by the director are not subject to the provisions of sections 16B.06 to 16B.102 or 16B.17, provided that the director must utilize an open and competitive bid process for major procurement contracts, and as nearly as practicable, follow the procedures of chapter 16B governing contracts, consistent with the provisions of this section.

Subd. 7. [ASSIGNMENT.] A contract entered into under this section may not be assigned without the specific written approval of the director.

Sec. 9. [349A.09] [LOTTERY PRIZES.]

Subdivision 1. [AGREEMENT BY PLAYERS.] A person who buys a lottery ticket agrees to be bound by the rules applicable to the particular lottery game for which the ticket is purchased. The player acknowledges that the determination of whether a ticket is a valid winning ticket is subject to the rules of the director, claims proce-

dures established by the director for that game, and any confidential or public validation tests established by the director for that game.

Subd. 2. [PRIZES NOT ASSIGNABLE.] A prize in the state lottery is not assignable except as provided in subdivision 3 and except that:

(1) if a prize winner dies before the prize is paid, the director shall pay the prize to the prize winner's estate; and

(2) the director may pay a prize to a person other than the winner of that prize under an appropriate court order.

Subd. 3. [PRIZES WON BY PERSONS UNDER AGE 18.] The following provisions govern the payment of a lottery prize to a person under age 18:

(1) if the prize is less than \$5,000, the director may give a draft, payable to the order of the person under age 18, to the person's parents, custodial parent if one parent has custody, guardian, or other adult member of the person's family; and

(2) if the prize is \$5,000 or more, the director may deposit the prize in a financial institution to the credit of the person's parents, custodial parent if one parent has custody, guardian, or other adult member of the person's family.

Subd. 4. [DISCHARGE OF LIABILITY.] The payment of a prize by the director discharges the director and the state of all liability for the prize.

Subd. 5. [PAYMENT; UNCLAIMED PRIZES.] A prize in the state lottery must be claimed by the winner within one year of the date of the drawing at which the prize was awarded. Any prize money not claimed at the end of this period must be added by the director to prize pools of subsequent lottery games and the winner of the prize shall have no further claim to the prize. A prize won by a person who purchased the winning ticket in violation of section 13, subdivision 1, or won by a person ineligible to be awarded a prize under subdivision 7, must be treated as an unclaimed prize under this section.

Subd. 6. [INSTALLMENT PAYMENTS.] If the director decides to pay all or part of a prize in the form of installments over a period of years, the director shall provide for the payment of all installments by:

(1) entering into a contract with a financially responsible person or firm or by purchasing an annuity to provide for the payment of the installments; or

(2) establishing and maintaining as a separate and independent fund a reserve account with sufficient funds for the payment of the installments as they become due.

Subd. 7. [PAYMENTS PROHIBITED.] (a) No prize may be paid to a member of the board, the director or an employee of the department, or a member of their families residing in the same household of the member, director, or employee. No prize may be paid to an officer or employee of a vendor which at the time the game or drawing was being conducted was involved with providing goods or services to the lottery under a major procurement contract.

(b) No prize may be paid for a stolen, altered, or fraudulent ticket.

(c) No prize may be paid to any person under the age of 18 years except in the case of a ticket inherited by a person under the age of 18 years. The director may require evidence of inheritance of the ticket before paying the prize.

Subd. 8. [WITHHOLDING OF DELINQUENT STATE TAXES OR CHILD SUPPORT.] The director shall report the name, address, and social security number of each winner of a lottery prize of \$1,000 or more to the department of revenue to determine whether the person that won the prize is delinquent in payment of state taxes and to the department of human services to determine whether the person is delinquent in court-ordered payment of child support. If the person is delinquent in payment of state taxes or court-ordered child support, the director shall withhold the delinquent amount from the person's prize for remittance to the department of revenue or to the appropriate person. If the winner of a prize is delinquent both in payments of state taxes and court-ordered child support, the amount remitted to the department of revenue or to the appropriate person shall be in proportion to the prize amount as is the amount owed by the winner.

Sec. 10. [349A.10] [LOTTERY ADVERTISING.]

Subdivision 1. [ODDS; REQUIRED INFORMATION.] The director shall include on each brochure, pamphlet, booklet, or other similar material the director publishes to promote or explain any lottery game, a prominent and clear statement of the chances of winning each prize offered in that lottery game. Each lottery retailer must post prominently at or near the point of ticket sale a notice or notices printed and provided by the director of the odds of winning each prize in each game for which the lottery retailer sells tickets.

Each publication and notice required under this subdivision must contain a prominent statement substantially setting out the restrictions in section 349A.09, subdivision 7, on payment of prizes to persons under the age of 18 years.

Subd. 2. [CONTENT OF ADVERTISING.] (a) Advertising and promotional materials for the lottery adopted or published by the director must be consistent with the dignity of the state and may only:

(1) present factual information on how lottery games are played, prizes offered, where and how tickets may be purchased, and odds on the games advertised;

(2) identify state programs supported by lottery net revenues;

(3) present the lottery as a form of entertainment or recreation; or

(4) state the winning numbers or identity of winners of lottery prizes.

(b) The director may not adopt or publish any advertising for the lottery which:

(1) presents directly or indirectly any lottery game as a potential means of relieving any person's financial or economic difficulties;

(2) is specifically targeted with the intent to exploit specific groups or economic classes of people; or

(3) presents the purchase of a lottery ticket as a financial investment.

Subd. 3. [PRIZES; REQUIRED INFORMATION.] The director must include, in any publication or print advertising which refers to a prize which is or may be paid in installments, a statement to the effect that the prize will be or may be paid in installments.

Sec. 11. [349A.11] [LOTTERY FUNDS.]

Subdivision 1. [STATE LOTTERY FUND.] The director shall establish a state lottery fund outside the state treasury. The fund consists of all money received by the director from the sale of lottery tickets and from the issuance of lottery retailer contracts, and all other money credited or transferred to it by law, except for money set aside and deposited in the lottery prize fund under subdivision 2.

Subd. 2. [DEPOSIT IN PRIZE FUND.] The director shall establish a lottery prize fund outside the state treasury. The fund consists of all money deposited in it under this subdivision and all interest earned thereon. The director shall deposit in the lottery prize fund, from gross receipts from the sale of lottery tickets for games other than games which require on-line computer terminal connections, an amount sufficient to pay lottery prizes in an amount equal to at least 45 percent of revenues from lottery ticket sales.

Subd. 3. [LOTTERY OPERATIONS.] (a) The director shall establish a lottery operations fund outside the state treasury. The director shall, from time to time, transfer from the state lottery fund to the lottery operations fund amounts sufficient to pay the operating costs of the lottery.

(b) The director may not transfer in any fiscal year amounts to the lottery operations fund which when totaled exceed 15 percent of total revenue to the state lottery fund in that year. In computing total amounts transferred to the lottery operations fund under this paragraph the director may disregard amounts transferred to or retained by lottery retailers as sales commissions or other compensation.

Subd. 4. [DEPOSIT OF RECEIPTS.] (a) The director may require lottery retailers to:

(1) deposit in a separate account in banks designated by the state treasurer for deposit by the treasurer to the state lottery fund, all money received by the lottery retailer from the sale of lottery tickets, less money retained as the lottery retailer's commission and for payment of prizes;

(2) file with the director and the state treasurer reports of the lottery retailer's receipts and transactions in ticket sales in a form that the director prescribes; and

(b) A lottery retailer who fails to pay any money due to the state within the time prescribed by the director shall pay interest on the amount owed at the rate determined by rule.

Subd. 5. [DEPOSIT OF NET PROCEEDS.] At the end of each month, the director shall determine and pay to the state treasurer the net proceeds of the lottery after transfers to the lottery prize fund and the lottery operations fund. Net proceeds must be determined by deducting from gross receipts to the lottery for that month and interest earned by the lottery:

(1) total prizes paid out in that month;

(2) an amount the director determines to be reasonably required to pay future prize obligations resulting from lottery drawings in that month;

(3) the value of lottery tickets returned or canceled;

(4) an amount sufficient to pay costs incurred for the operation and administration of the lottery;

(5) payments made for the purchase and promotion of lottery games and game-related services; and

(6) payments made to lottery retailers.

Sec. 12. [349A.12] [CONFLICT OF INTEREST.]

(a) The director, a board member, an employee of the department, a member of the immediate family of the director, board member, or employee residing in the same household may not:

(1) purchase a lottery ticket;

(2) have any personal pecuniary interest in any vendor contracting with the state to supply services or gaming equipment or materials for use in the operation of the lottery, or in any lottery retailer; or

(3) receive any gift, gratuity, or other thing of value, excluding food or beverage, from any lottery vendor or lottery retailer, or person applying to be a retailer or vendor, in excess of \$100 in any calendar year. A violation of clause (1) is a misdemeanor. A violation of this clause or clause (2) is a gross misdemeanor.

(b) The director or an unclassified employee of the department may not, within one year of terminating employment with the department, accept employment with, act as an agent or attorney for, or otherwise represent any person, corporation, or entity that had any major procurement contract or bid for a major procurement contract with the department within a period of two years prior to the termination of their employment. A violation of this paragraph is a misdemeanor.

Sec. 13. [349A.13] [PROHIBITED ACTS.]

Subdivision 1. [PURCHASE BY MINORS.] A person under the age of 18 years may not buy a ticket in the state lottery.

Subd. 2. [SALE TO MINORS.] A lottery retailer may not knowingly sell a ticket in the state lottery to any person under the age of 18 years.

Subd. 3. [PROHIBITED SALES.] (a) A person other than a lottery retailer may not sell a ticket in the state lottery.

(b) A lottery retailer may not sell a ticket for a price other than the price set by the director.

Subd. 4. [FRAUDULENT TICKETS.] A person may not:

(1) counterfeit or alter a state lottery ticket with intent to make a fraudulent claim for payment;

(2) knowingly present a counterfeit or altered state lottery ticket for payment;

(3) knowingly transfer a counterfeit or altered state lottery ticket to another person to present for payment; or

(4) conspire, aid, abet, or agree to aid another person or persons to claim a lottery prize by means of fraud, deceit, or misrepresentation.

Subd. 5. [FALSE STATEMENTS.] A person may not:

(1) make a false or misleading statement in a book or record required to be submitted under this chapter;

(2) willfully refuse to produce for inspection when required under this chapter a book, record, or document required to be maintained; or

(3) make a false or misleading statement in information submitted to the director in a lottery retailer's application or a document related to a bid.

Subd. 6. [ILLEGAL ACCESS.] (a) A person may not obtain access to a computer data base maintained by the director without the specific authorization of the director.

(b) A person may not obtain access to a computer data base maintained by a person under contract with the director to maintain the data base without the specific authorization of the director and the person maintaining the data base.

(c) A person may not attempt to violate paragraph (a) or (b), or conspire with, aid, abet, or agree to aid another person to violate or attempt to violate paragraph (a) or (b).

Subd. 7. [LOTTERY RETAILERS AND VENDORS.] A person who is a lottery retailer, or is applying to be a lottery retailer, a person applying for a contract with the director, or a person under contract with the director to supply lottery games, equipment, or services may not pay, give, or make any economic opportunity, gift, loan, gratuity, special discount, favor, hospitality, or service, excluding food or beverage, having an aggregate value of over \$100 in any calendar year to the commissioner, the director, board member, employee of the department or to a member of the immediate family residing in the same household as that person.

Subd. 8. [VIOLATION OF RULE.] A person may not violate a rule of the director adopted under this chapter.

Subd. 9. [EXCEPTIONS.] Nothing in this chapter prohibits giving a state lottery ticket as a gift to a person age 18 or over.

Subd. 10. [VIOLATIONS.] Violation of subdivision 1 or 2 is a misdemeanor. Violation of subdivision 3, 7, or 8 is a gross misdemeanor. Violation of subdivision 4, 5, or 6 is a felony.

Sec. 14. [349A.14] [RESTRICTIONS.]

Nothing in this chapter:

(1) authorizes the director to conduct a lottery game or contest the winner or winners of which are determined by the result of a sporting event other than a horse race conducted under chapter 240;

(2) authorizes the director to install or operate a lottery device operated by coin or currency which when operated determines the winner of a game; and

(3) authorizes the director to sell pull-tabs as defined under section 349.12, subdivision 10.

Sec. 15. [349A.15] [LEGISLATIVE AUDITOR.]

The department is subject to sections 3.971 and 3.972.

Sec. 16. [349A.16] [AUDIT.]

The director shall contract for an annual certified audit of all accounts and transactions of the lottery. The audit must be conducted by a certified public accountant in accordance with generally accepted accounting standards. The director shall file a copy of each audit report of the lottery with the governor and the legislature.

Sec. 17. [EFFECTIVE DATE.]

Sections 1 to 16 are effective the day following final enactment.

ARTICLE 4

GAMING POLICY COMMISSION

Section 1. [349B.01] [GAMING POLICY COMMISSION ESTABLISHED.]

A gaming policy commission is established consisting of:

- (1) the chair of the state lottery board;
- (2) the chair of the charitable gambling control board;
- (3) the chair of the Minnesota racing commission;
- (4) the commissioner of public safety;
- (5) the commissioner of revenue;
- (6) the director of the state lottery; and
- (7) a representative of the Indian community appointed by the governor for a term of four years.

The commission shall select a chair from among its members.

Sec. 2. [349B.02] [DUTIES OF COMMISSION.]

The gaming policy commission must meet at least once each month. The commission shall prepare an annual report to the governor and legislature on the gaming policy of the state and proposed changes to statutes relating to gaming.

Sec. 3. [EFFECTIVE DATE.]

Sections 1 and 2 are effective July 1, 1989.

ARTICLE 5

DIVISION OF INSPECTION AND ENFORCEMENT

Section 1. [299K.01] [DEFINITIONS.]

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

Subd. 2. [DIVISION.] "Division" is the division of inspection and enforcement in the department of public safety.

Subd. 3. [DEPARTMENT.] "Department" is the department of public safety.

Subd. 4. [DIRECTOR.] "Director" is the director of the division of inspection and enforcement.

Subd. 5. [COMMISSIONER.] "Commissioner" is the commissioner of public safety.

Sec. 2. [299K.02] [DIVISION OF INSPECTION AND ENFORCEMENT.]

Subdivision 1. [DIVISION.] A division of inspection and enforcement is created in the department of public safety under the control and supervision of the director of inspection and enforcement who shall be appointed by the commissioner of public safety. The director must be qualified by experience in law enforcement to act as the director.

Subd. 2. [REMOVAL.] The director serves at the pleasure of the commissioner in the unclassified service.

Subd. 3. [EMPLOYEES.] The director may employ other persons as necessary to carry out the director's powers and duties under this chapter. All professional employees, as defined under section 179A.03, subdivision 13, of the division of inspection and enforcement are in the unclassified service. The director shall request that the bureau of criminal apprehension perform background checks on all persons seeking employment with the division.

Sec. 3. [299K.03] [DUTIES OF DIRECTOR.]

Subdivision 1. [LOTTERY.] (a) The director shall conduct background checks on employees of the state lottery, lottery retailers, and successful bidders of major procurement contracts with the lottery.

(b) Whenever the director believes it to be necessary or when so requested by the director of the state lottery, the director shall conduct investigations of lottery retailers, applicants for lottery retailer contracts, suppliers of goods or services to the state lottery, and persons bidding on contracts for goods or services with the state lottery.

(c) The director shall conduct an annual security audit of the state lottery, or arrange for such an audit by an outside agency or person, firm, or corporation. The director shall report to the state lottery board and the director of the lottery on the results of the audit.

(d) Whenever the director believes it to be necessary or when so requested by the director of the state lottery, the director shall conduct inspections of the premises of any lottery retailer or the activities of any lottery retailer to determine the retailer's compliance with applicable laws and rules and orders of the director of the state lottery.

(e) Whenever the director believes it to be necessary or when so requested by the director of the state lottery, the director shall

conduct an audit of any lottery retailer's accounts, books, records, or other documents the agent is required to keep.

Subd. 2. [CHARITABLE GAMBLING.] The director shall:

(1) conduct background investigations of applicants for licensing as a manufacturer or distributor of gambling equipment or as a bingo hall under chapter 349; and

(2) when the director believes it to be necessary or when so requested by the charitable gambling control board or the director of the board, the director shall inspect the premises of a licensee under chapter 349 to determine compliance with law and with the rules of the board, or to conduct an audit of the accounts, books, records, or other documents required to be kept by the licensee.

Subd. 3. [HORSE RACING INVESTIGATIONS.] (a) The director shall conduct background investigations as provided by law on all applicants for licenses issued by the Minnesota racing commission.

(b) Whenever the director believes it to be necessary or when so requested by the Minnesota racing commission or the executive director of the racing commission, the director shall investigate the activities of a licensee of the commission to determine the licensee's compliance with law and with rules of the commission.

Subd. 4. [OTHER GAMBLING.] The director shall cooperate with all state and local agencies in the detection and apprehension of unlawful gambling.

Subd. 5. [BACKGROUND CHECKS.] In any background check required to be conducted by the director under chapter 240, 349, or 349A, the director may require that fingerprints be taken and the director may forward the fingerprints to the Federal Bureau of Investigation for the conducting of a national criminal history check.

Sec. 4. [299K.04] [POWERS OF DIRECTOR.]

Subdivision 1. [INSPECTIONS; ACCESS.] In conducting any inspection authorized under chapter 240, 349, or 349A, the director has free and open access to all parts of the regulated business premises and may conduct the inspection at any reasonable time without notice and without a search warrant. For purposes of this subdivision, "regulated business premises" means premises where:

(1) lawful gambling is conducted by an organization licensed under chapter 349 or by an organization exempt from licensing under section 349.214;

(2) gambling equipment is manufactured, sold, distributed, or serviced by a manufacturer or distributor licensed under chapter 349;

(3) records required to be maintained under chapter 240, 349, or 349A, are prepared or retained;

(4) lottery tickets are sold by a lottery retailer under chapter 349A; or

(5) races are conducted by a person licensed under chapter 240.

Subd. 2. [ITEMS REQUIRED TO BE PRODUCED.] In conducting an audit or inspection authorized under chapter 240, 349, or 349A, the director may inspect any book, record, or other document the licensee, retailer, or vendor is required to keep.

Subd. 3. [SUBPOENA POWER.] The director may issue subpoenas to compel the attendance of witnesses and the production of documents, books, records, and other evidence relating to any investigation or audit the director is authorized to conduct.

Subd. 4. [ACCESS TO CRIMINAL HISTORY.] The director has access to all criminal history data compiled by the bureau of criminal apprehension on any person licensed under contract with the state lottery, racing commission, or the charitable gambling control board, or any applicant for licensing or a person who has submitted a bid on a gambling contract.

Subd. 5. [ARREST POWERS.] The director may designate certain employees who are authorized to arrest or investigate any person who is suspected of violating any provision of chapter 240, 349, or 349A, or is suspected of committing any crime involving gambling, and to conduct searches and seizures to enforce any of those laws. Any employee authorized by this subdivision to make an arrest must be licensed under sections 626.84 to 626.863.

Subd. 6. [UNLICENSED SELLERS.] (a) If anyone not licensed under chapter 349 sells gambling equipment at a business establishment, the director may, in addition to any other provisions of chapter 349:

(1) assess a civil penalty of not more than \$300 against each person participating in the sales and assess a civil penalty of not more than \$1,000 against the owner or owners of the business establishment; or

(2) if the subject violation is the second or subsequent violation of this subdivision at the same business establishment within any 24-month period, assess a civil penalty of not more than \$300

against each person participating in such sales, and assess a civil penalty of not more than \$5,000 against the owner or owners of the business establishment.

(b) The assessment of a civil penalty under this section does not preclude a recommendation by the director at any time deemed appropriate to a licensing authority for revocation, suspension, or denial of a license controlled by the licensing authority.

(c) Within ten days of an assessment under this subdivision, the person assessed the penalty must pay the assessment or request that a hearing be held under chapter 14. If a hearing is requested, the hearing must be scheduled within 20 days of the request, and the recommendations of the administrative law judge must be issued within five working days of the close of the hearing. The commissioner of public safety must issue a final order within five working days of the issuance of the recommendations of the administrative law judge.

Subd. 7. [OTHER POWERS.] Nothing in this chapter limits the authority of the director to exercise any other power specified under chapter 240, 349, or 349A.

Subd. 8. [RULEMAKING.] The commissioner of public safety may adopt rules under chapter 14 to carry out the director's duties under this chapter.

Sec. 5. [299K.05] [CONFLICT OF INTEREST.]

Subdivision 1. [INTEREST.] The commissioner of public safety, the director, and any person employed by the division of inspection and enforcement may not hold a Class C license issued by the racing commission or have a direct or indirect financial interest in:

- (1) a class A or B licensee of the racing commission;
- (2) a lottery retailer under contract with the state lottery;
- (3) a person who is under a major procurement contract with the state lottery; or
- (4) a bingo hall, manufacturer, or distributor licensed under chapter 349.

Subd. 2. [CHARITABLE GAMBLING.] The director or an employee of the division may not participate in the conducting of lawful gambling under chapter 349.

Sec. 6. [299K.06] [GAMBLING VIOLATIONS; RESTRICTIONS ON FURTHER ACTIVITY.]

An owner of an establishment is prohibited from having lawful gambling under chapter 349 conducted on the premises, selling any lottery tickets under chapter 349A, or having a video game of chance as defined under section 349.50 located on the premises, if a person was convicted of violating section 609.76, subdivision 1, clause (7); 609.76, subdivision 2; or any provision of chapter 349, for an activity occurring on the owner's premises.

Sec. 7. Minnesota Statutes 1988, section 609.76, subdivision 1, is amended to read:

Subdivision 1. [GROSS MISDEMEANORS.] Whoever does any of the following may be sentenced to imprisonment for not more than one year or to payment of a fine of not more than \$3,000, or both:

(1) maintains or operates a gambling place or operates a bucket shop;

(2) intentionally participates in the income of a gambling place or bucket shop;

(3) conducts a lottery, or, with intent to conduct a lottery, possesses facilities for doing so;

(4) sets up for use for the purpose of gambling, or collects the proceeds of, any gambling device or bucket shop;

(5) with intent that it shall be so used, manufactures, sells or offers for sale, in whole or any part thereof, any gambling device including those defined in section 349.30, subdivision 2, and any facility for conducting a lottery, except as provided by section 349.40;
or

(6) receives, records, or forwards bets or offers to bet or, with intent to receive, record, or forward bets or offers to bet, possesses facilities to do so; or

(7) pays any compensation for game credits earned on or otherwise rewards players of video games of chance as defined under section 349.50, subdivision 8.

Sec. 8. Minnesota Statutes 1988, section 626.05, subdivision 2, is amended to read:

Subd. 2. The term "peace officer" as used in sections 626.04 to 626.17 means a sheriff, deputy sheriff, police officer, constable, agent of the bureau of criminal apprehension, agent of the division of inspection and enforcement, or University of Minnesota peace officer.

Sec. 9. Minnesota Statutes 1988, section 626.13, is amended to read:

626.13 [SERVICE, PERSONS MAKING.]

A search warrant may in all cases be served by any of the officers mentioned in its directions, but by no other person, except in aid of the officer on the officer's requiring it, the officer being present and acting in its execution. If the warrant is to be served by an agent of the bureau of criminal apprehension or an agent of the division of inspection and enforcement, the agent shall notify the chief of police of an organized full-time police department of the municipality or, if there is no such local chief of police, the sheriff or a deputy sheriff of the county in which service is to be made prior to execution.

Sec. 10. [EFFECTIVE DATE.]

Sections 1 to 6, 8, and 9, are effective July 1, 1989. Section 7 is effective July 1, 1989, and applies to crimes committed on or after that date.

ARTICLE 6

MISCELLANEOUS

Section 1. Minnesota Statutes 1988, section 10A.01, subdivision 18, is amended to read:

Subd. 18. "Public official" means any:

- (a) member of the legislature;
- (b) constitutional officer in the executive branch and the officer's chief administrative deputy;
- (c) member, chief administrative officer or deputy chief administrative officer of a state board or commission which has at least one of the following powers: (i) the power to adopt, amend or repeal rules, or (ii) the power to adjudicate contested cases or appeals;
- (d) commissioner, deputy commissioner or assistant commissioner of any state department as designated pursuant to section 15.01;
- (e) individual employed in the executive branch who is authorized to adopt, amend or repeal rules or adjudicate contested cases;
- (f) executive director of the state board of investment;
- (g) executive director of the Indian affairs intertribal board;

(h) commissioner of the iron range resources and rehabilitation board;

(i) director of mediation services;

(j) deputy of any official listed in clauses (e) to (i);

(k) judge of the workers' compensation court of appeals;

(l) administrative law judge or compensation judge in the state office of administrative hearings or hearing examiner in the department of jobs and training;

(m) solicitor general or deputy, assistant or special assistant attorney general;

(n) individual employed by the legislature as secretary of the senate, legislative auditor, chief clerk of the house, revisor of statutes, or researcher or attorney in the office of senate research, senate counsel, or house research; or

(o) member or chief administrative officer of the metropolitan council, regional transit board, metropolitan transit commission, metropolitan waste control commission, metropolitan parks and open spaces commission, metropolitan airports commission or metropolitan sports facilities commission;

(p) the director of the state lottery; or

(q) director of the division of inspection and enforcement in the department of public safety.

Sec. 2. Minnesota Statutes 1988, section 15A.081, subdivision 1, is amended to read:

Subdivision 1. [SALARY RANGES.] The governor shall set the salary rate within the ranges listed below for positions specified in this subdivision; upon approval of the legislative commission on employee relations and the legislature as provided by section 43A.18, subdivisions 2 and 5:

Salary Range

Effective

July 1, 1987

\$57,500-\$78,500

Commissioner of finance;
Commissioner of education;

Commissioner of transportation;
 Commissioner of human services;
 Commissioner of revenue;
 Executive director, state board of investment;
 Director of the state lottery;
Commissioner of public safety;

\$50,000-\$67,500

Commissioner of administration;
 Commissioner of agriculture;
 Commissioner of commerce;
 Commissioner of corrections;
 Commissioner of jobs and training;
 Commissioner of employee relations;
 Commissioner of health;
 Commissioner of labor and industry;
 Commissioner of natural resources;
 Commissioner of public safety;
 Commissioner of trade and economic development;
 Chair, waste management board;
 Chief administrative law judge; office of administrative
 hearings;
 Commissioner, pollution control agency;
 Commissioner, state planning agency;
 Executive director, housing finance agency;
 Executive director, public employees
 retirement association;
 Executive director, teacher's retirement association;
 Executive director, state retirement system;
 Chair, metropolitan council;
 Chair, regional transit board;

\$42,500-\$60,000

Commissioner of human rights;
 Commissioner, department of public service;
 Commissioner of veterans' affairs;
 Commissioner, bureau of mediation services;
 Commissioner, public utilities commission;
 Member, transportation regulation board;
 Ombudsman for corrections;
 Ombudsman for mental health and retardation.

Sec. 3. Minnesota Statutes 1988, section 290.01, subdivision 19b, is amended to read:

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

(1) interest income on obligations of any authority, commission, or instrumentality of the United States to the extent includable in

taxable income for federal income tax purposes but exempt from state income tax under the laws of the United States;

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

(3) the amount paid to others not to exceed \$650 for each dependent in grades kindergarten to 6 and \$1,000 for each dependent in grades 7 to 12, for tuition, textbooks, and transportation of each dependent in attending an elementary or secondary school situated in Minnesota, North Dakota, South Dakota, Iowa, or Wisconsin, wherein a resident of this state may legally fulfill the state's compulsory attendance laws, which is not operated for profit, and which adheres to the provisions of the Civil Rights Act of 1964 and chapter 363. As used in this clause, "textbooks" includes books and other instructional materials and equipment used in elementary and secondary schools in teaching only those subjects legally and commonly taught in public elementary and secondary schools in this state. "Textbooks" does not include instructional books and materials used in the teaching of religious tenets, doctrines, or worship, the purpose of which is to instill such tenets, doctrines, or worship, nor does it include books or materials for, or transportation to, extracurricular activities including sporting events, musical or dramatic events, speech activities, driver's education, or similar programs. In order to qualify for the subtraction under this clause the taxpayer must elect to itemize deductions under section 63(e) of the Internal Revenue Code of 1986, as amended through December 31, 1987;

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

(5) income as provided under section 290.0802; and

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

(7) prizes won in the Minnesota state lottery.

Sec. 4. Minnesota Statutes 1988, section 297A.25, is amended by adding a subdivision to read:

Subd. 42. [STATE LOTTERY TICKETS.] The gross receipts from the sale of tickets for the state lottery under chapter 349A are exempt.

Sec. 5. Minnesota Statutes 1988, section 340A.410, subdivision 5, is amended to read:

Subd. 5. [GAMBLING PROHIBITED.] (a) No retail establishment licensed to sell alcoholic beverages may keep, possess, or operate, or permit the keeping, possession, or operation on the licensed premises of dice or any gambling device as defined in section 349.30, or permit gambling therein except as provided in this subdivision.

(b) Gambling equipment may be kept or operated and raffles conducted on licensed premises and adjoining rooms when the use of the gambling equipment is authorized under chapter 349.

(c) Lottery tickets may be purchased and sold within the licensed premises as authorized by the director of the lottery under chapter 349A.

Sec. 6. Minnesota Statutes 1988, section 541.20, is amended to read:

541.20 [RECOVERY OF MONEY LOST]

Every person who, by playing at cards, dice, or other game, or by betting on the hands or sides of such as are gambling, shall lose to any person so playing or betting any sum of money or any goods, and pays or delivers the same, or any part thereof, to the winner, may sue for and recover such money by a civil action, before any court of competent jurisdiction. For purposes of this section, gambling shall not include pari-mutuel wagering conducted under a license issued pursuant to chapter 240, purchase or sale of tickets in the state lottery, or gambling authorized under chapter chapters 349 and 349A.

Sec. 7. Minnesota Statutes 1988, section 541.21, is amended to read:

541.21 [COMMITMENTS FOR GAMBLING DEBT VOID.]

Every note, bill, bond, mortgage, or other security or conveyance in which the whole or any part of the consideration shall be for any money or goods won by gambling or playing at cards, dice, or any other game whatever, or by betting on the sides or hands of any person gambling, or for reimbursing or repaying any money know-

ingly lent or advanced at the time and place of such gambling or betting, or lent and advanced for any gambling or betting to any persons so gambling or betting, shall be void and of no effect as between the parties to the same, and as to all persons except such as hold or claim under them in good faith, without notice of the illegality of the consideration of such contract or conveyance. The provisions of this section shall not apply to pari-mutuel wagering conducted under a license issued pursuant to chapter chapters 240 and 349 or purchase of tickets in the state lottery under chapter 349A.

Sec. 8. Minnesota Statutes 1988, section 609.75, subdivision 3, is amended to read:

Subd. 3. [WHAT ARE NOT BETS.] The following are not bets:

(1) A contract to insure, indemnify, guarantee or otherwise compensate another for a harm or loss sustained, even though the loss depends upon chance.

(2) A contract for the purchase or sale at a future date of securities or other commodities.

(3) Offers of purses, prizes or premiums to the actual contestants in any bona fide contest for the determination of skill, speed, strength, endurance, or quality or to the bona fide owners of animals or other property entered in such a contest.

(4) The game of bingo when conducted in compliance with sections 349.11 to 349.23.

(5) A private social bet not part of or incidental to organized, commercialized, or systematic gambling.

(6) The operation of equipment or the conduct of a raffle under sections 349.11 to 349.22, by an organization licensed by the charitable gambling control board or an organization exempt from licensing under section 349.214.

(7) Pari-mutuel betting on horse racing when the betting is conducted under chapter 240.

(8) The purchase and sale of state lottery tickets under chapter 349A.

Sec. 9. Minnesota Statutes 1988, section 609.761, is amended to read:

609.761 [OPERATIONS PERMITTED.]

Subdivision 1. [LAWFUL GAMBLING.] Notwithstanding sections 609.755 and 609.76, an organization may conduct lawful gambling as defined in section 349.12, if authorized under chapter 349, and a person may manufacture, sell, or offer for sale a gambling device to an organization authorized under chapter 349 to conduct lawful gambling, and pari-mutuel betting on horse racing may be conducted under chapter 240.

Subd. 2. [STATE LOTTERY.] Sections 609.755 and 609.76 do not prohibit the operation of the state lottery or the sale, possession, or purchase of tickets for the state lottery under chapter 349A.

Sec. 10. Minnesota Statutes 1988, section 626.84, subdivision 1, is amended to read:

Subdivision 1. [DEFINITIONS.] For purposes of sections 626.84 to 626.863, the following terms have the meanings given them:

(a) "Board" means the board of peace officer standards and training.

(b) "Director" means the executive director of the board.

(c) "Peace officer" means an employee or an elected or appointed official of a political subdivision or law enforcement agency who is licensed by the board, charged with the prevention and detection of crime and the enforcement of the general criminal laws of the state and who has the full power of arrest, and shall also include the Minnesota state patrol, agents of the division of inspection and enforcement, and state conservation officers.

(d) "Constable" has the meaning assigned to it in section 367.40.

(e) "Deputy constable" has the meaning assigned to it in section 367.40.

(f) "Part-time peace officer" means an individual licensed by the board whose services are utilized by law enforcement agencies no more than an average of 20 hours per week, not including time spent on call when no call to active duty is received, calculated on an annual basis, who has either full powers of arrest or authorization to carry a firearm while on active duty. The term shall apply even though the individual receives no compensation for time spent on active duty, and shall apply irrespective of the title conferred upon the individual by any law enforcement agency. The limitation on the average number of hours in which the services of a part-time peace officer may be utilized shall not apply to a part-time peace officer who has formally notified the board pursuant to rules adopted by the board of the part-time peace officer's intention to pursue the specialized training for part-time peace officers who desire to be-

come peace officers pursuant to sections 626.843, subdivision 1, clause (g) and 626.845, subdivision 1, clause (g).

(g) "Reserve officer" means an individual whose services are utilized by a law enforcement agency to provide supplementary assistance at special events, traffic or crowd control, and administrative or clerical assistance. A reserve officer's duties do not include enforcement of the general criminal laws of the state, and the officer does not have full powers of arrest or authorization to carry a firearm on duty.

(h) "Law enforcement agency" means a unit of state or local government that is authorized by law to grant full powers of arrest and to charge a person with the duties of preventing and detecting crime and enforcing the general criminal laws of the state.

Sec. 11. [EFFECTIVE DATE.]

Sections 1 to 10 are effective the day following final enactment.

ARTICLE 7

APPROPRIATIONS

Section 1. [APPROPRIATIONS.]

Subdivision 1. [STATE LOTTERY DEPARTMENT.] (a) \$11,440,000 is appropriated from the general fund to the director of the state lottery for the fiscal year ending June 30, 1990. This appropriation must be repaid to the general fund from the state lottery account, with interest at the average monthly rate on invested treasurer's cash, not later than June 30, 1991.

\$2,680,000 is appropriated from the state lottery account to the director of the state lottery for the fiscal year ending June 30, 1991. The director may expend any part of this appropriation in the fiscal year ending June 30, 1990, with the approval of the legislative advisory commission.

(b) The approved complement of the department of the state lottery is 173 positions.

Subd. 2. [CHARITABLE GAMBLING; TRANSFER FROM REVENUE.] The 13 positions relating to the responsibility for processing licensing applications under Minnesota Statutes, chapter 349, are transferred from the commissioner of revenue to the charitable gambling control board under Minnesota Statutes, section 15.039.

Subd. 3. [DIVISION OF INSPECTION AND ENFORCEMENT.] (a) The two positions relating to the responsibility for auditing and

investigation of charitable gambling under Minnesota Statutes, chapter 349, except for the responsibility for auditing tax returns, are transferred from the commissioner of revenue to the commissioner of public safety under Minnesota Statutes, section 15.039.

(b) \$750,000 is appropriated from the general fund to the commissioner of public safety to implement article 5, sections 1 to 5. \$375,000 is for the fiscal year ending June 30, 1990, and \$375,000 is for the fiscal year ending June 30, 1991. The approved complement of the department of public safety is increased by ten positions. Six of the additional positions authorized by this subdivision must be used to employ persons that are licensed under Minnesota Statutes, sections 626.84 to 626.863.

Sec. 2. [TRANSFER.]

The commissioner of finance shall transfer to the charitable gambling control board, from the appropriations made by law to the commissioner of revenue for the 1990-1991 biennium, amounts necessary for the board to carry out the responsibilities of Minnesota Statutes, sections 349.11 to 349.23.

Sec. 3. [REORGANIZATION ORDER VOID.]

Reorganization order No. 152 of the commissioner of administration is void.

Sec. 4. [EFFECTIVE DATE.]

Sections 1 to 3 are effective July 1, 1989.

ARTICLE 8

COMPULSIVE GAMBLING

Section 1. [245.98] [COMPULSIVE GAMBLING TREATMENT PROGRAM.]

Subdivision 1. [DEFINITION.] For the purposes of this section, "compulsive gambler" means a person who is chronically and progressively preoccupied with gambling and with the urge to gamble to the extent that the gambling behavior compromises, disrupts, or damages personal, family, or vocational pursuits.

Subd. 2. [PROGRAM.] The commissioner of human services shall establish a program for the treatment of compulsive gamblers. The commissioner may contract with a nonprofit entity with expertise regarding the treatment of compulsive gambling to operate the program. The program may include the establishment of a statewide toll-free number, resource library, public education programs; re-

gional in-service training programs and conferences for health care professionals, educators, treatment providers, employee assistance programs, and criminal justice representatives; and the establishment of certification standards for programs and service providers. The commissioner may enter into agreements with other governmental or nonprofit entities and may employ or contract with consultants to facilitate the provision of these services or the training of individuals to qualify them to provide these services. The program may also include inpatient and outpatient treatment and rehabilitation services and research studies. The research studies must include baseline and prevalence studies for adolescents and adults to identify those at the highest risk. The program must be approved by the commissioner before it is established.

Subd. 3. [REPORT.] The commissioner must report annually to the legislature by January 15 of each year of the manner in which the program to treat and prevent compulsive gamblers is being implemented.

Subd. 4. [APPROPRIATION.] \$300,000 in fiscal year 1990 and \$300,000 in fiscal year 1991 is appropriated from the general fund to the commissioner of human services to implement the compulsive gambling treatment program under this section.

\$100,000 in fiscal year 1990 and \$100,000 in fiscal year 1991 must be subtracted from the amount that would otherwise be deposited in the lottery fund and shall be deposited in the general fund for the costs incurred for the compulsive gambling program under this section.

Sec. 2. [EFFECTIVE DATE.]

Section 1 is effective July 1, 1989."

Amend the title accordingly

With the recommendation that when so amended the bill pass.

The report was adopted.

Long from the Committee on Taxes to which was referred:

H. F. No. 629, A bill for an act relating to elections; ethics in government; clarifying and modifying certain exceptions to multi-candidate political party expenditure limitations; modifying lobbyist reporting requirements; expanding certain reports by certain political committees and political funds; discontinuing the state ethical practices board responsibility for developing and furnishing

certain forms; limiting contributions and solicitations during a regular legislative session; providing a public subsidy for legislative candidates in special elections; providing an income tax credit for contributions to state candidates and political parties; requiring candidates to match funds received from the state elections campaign fund; providing a schedule for distribution of political campaign checkoff money to political parties; requiring deer licenses to include an application for absentee ballots; requiring county auditors to provide a sample ballot for classroom use; specifying a time period for preparing a candidate's affidavit; providing penalties; appropriating money; amending Minnesota Statutes 1988, sections 10A.04, subdivision 2; 10A.20, subdivision 3; 10A.27, subdivision 4; 10A.275; 10A.31, subdivision 5, and by adding a subdivision; 10A.32, subdivision 3, and by adding subdivisions; 10A.33; 97A.485, by adding a subdivision; 204B.09, subdivision 1; 290.06, by adding a subdivision; and 383B.055, subdivisions 1 and 2; proposing coding for new law in Minnesota Statutes, chapters 10A and 204D; repealing Minnesota Statutes, section 211B.11, subdivision 2.

Reported the same back with the following amendments:

Page 6, line 14, after "together" insert "with at least one substate unit being either: the state party organization or the party organization within congressional districts, counties, or legislative districts."

Page 14, line 7, delete "\$100" and insert "\$50" and delete "\$200" and insert "\$100"

Page 15, line 31, delete "\$100" and insert "\$50"

Page 15, line 32, delete "\$200" and insert "\$100"

Page 15, line 36, after the period insert "The credit allowed under this subdivision must be available on the short form."

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

The report was adopted.

Anderson, G., from the Committee on Appropriations to which was referred:

S. F. No. 783, A bill for an act relating to education; proposing a fifth year incentive plan for teachers in the Duluth school district.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"ARTICLE 1

MINNESOTA STATE RETIREMENT SYSTEM

Section 1. Minnesota Statutes 1988, section 43A.44, subdivision 2, is amended to read:

Subd. 2. [BENEFITS.] Employees in shared positions shall be eligible for the following benefits and subject to the following obligations:

(a) (1) Membership in the Minnesota state retirement system, the teachers retirement association or the state patrol retirement fund, whichever is appropriate, ~~except that, notwithstanding any provision of section 352.01, subdivisions 11 and 16; 352B.01, subdivision 3; 354.05, subdivisions 13 and 25; or 354.091, employees shall have allowable service for the purpose of meeting the minimum service requirements for eligibility to a retirement annuity or other retirement benefit credited in full, but shall have benefit accrual service for the purpose of computing a retirement annuity or other retirement benefit credited on a fractional basis either weekly or annually based upon the relationship that the number of hours of service bears to either 40 hours per week or 2,080 hours per year, with any salary paid for the fractional service credited on the basis of the rate of salary applicable for a full-time week or a full-time year.~~

(b) (2) Vacation and sick leave accruals shall be prorated in accordance with the pertinent collective bargaining agreement or plan covering the position;

(c) (3) Employee dental, medical and hospital benefits coverage shall be available of the same type and coverage afforded to comparable full-time employees. Employees in shared positions who elect such coverage shall pay, by payroll deduction, the difference between the actual cost to the employer and the appropriate shared time percent of the actual cost. The remaining percent shall be paid by the employer. Employee life insurance coverage shall be available to employees in shared positions on the same terms as for comparable full-time employees;

(d) (4) Dependent life insurance coverage shall be available to employees in shared positions on the same terms as for comparable full-time employees. Dependent medical, hospital and dental benefits coverage shall be available to employees in shared positions of the same type and coverage afforded to comparable full-time employees, except that the employer shall contribute the appropriate

shared time percent of the dollar amount contributed for comparable full-time employees electing the same program, the remainder to be paid by payroll deduction by the employee electing such coverage;

(e) (5) Employees in shared positions shall be entitled to the prorated holiday provisions of the applicable collective bargaining agreement or plan covering the position;

(f) (6) Employees in shared positions shall accrue seniority time in every relevant category at the same rate accorded to comparable full-time employees. No full-time employee accepting a shared position shall suffer any loss of or gap in seniority time in the relevant categories applicable to the full-time employment; and

(g) (7) Any other benefits of employment for employees in shared positions shall be prorated at a rate of the appropriate shared time percent of those available to comparable full-time employees, whenever the benefits are divisible. Contributions by the employer toward the benefits, if any, shall be equal to the appropriate shared time percent of the full-time benefits. When not divisible, the cost of the full-time benefits normally allocable to the employer shall be allocated, the appropriate shared time percent to the employee in a shared position, by payroll deduction, and the remaining percent to the employer.

Sec. 2. Minnesota Statutes 1988, section 352.01, subdivision 11, is amended to read:

Subd. 11. [ALLOWABLE SERVICE.] "Allowable service" means:

(1) Service by an employee for which on or before July 1, 1957, the employee was entitled to allowable service credit on the records of the system by reason of employee contributions in the form of salary deductions, payments in lieu of salary deductions, or in any other manner authorized by Minnesota Statutes 1953, chapter 352, as amended by Laws 1955, chapter 239.

(2) Service by an employee for which on or before July 1, 1961, the employee chose to obtain credit for service by making payments to the fund under Minnesota Statutes 1961, section 352.24.

(3) Except as provided in clauses (9) and (10), service by an employee after July 1, 1957, for any calendar month in which the employee is paid salary from which deductions are made, deposited, and credited in the fund, including deductions made, deposited, and credited as provided in section 352.041.

(4) Except as provided in clauses (9) and (10), service by an employee after July 1, 1957, for any calendar month for which payments in lieu of salary deductions are made, deposited, and

credited in the fund, as provided in section 352.27 and Minnesota Statutes 1957, section 352.021, subdivision 4.

For purposes of clauses (3) and (4), except as provided in clauses (9) and (10), any salary paid for a fractional part of any calendar month is deemed the compensation for the entire calendar month.

(5) The period of absence from their duties by employees who are temporarily disabled because of injuries incurred in the performance of duties and for which disability the state is liable under the workers' compensation law until the date authorized by the director for the commencement of payments of a total and permanent disability benefit from the retirement fund.

(6) The unused part of an employee's annual leave allowance for which the employee is paid salary.

(7) Any service covered by a refund repaid as provided in section 352.23 or 352D.05, subdivision 4, except service rendered as an employee of the adjutant general for which the person has credit with the federal civil service retirement system.

(8) Any service before July 1, 1978, by an employee of the transit operating division of the metropolitan transit commission or by an employee on an authorized leave of absence from the transit operating division of the metropolitan transit commission who is employed by the labor organization which is the exclusive bargaining agent representing employees of the transit operating division, which was credited by the metropolitan transit commission-transit operating division employees retirement fund or any of its predecessor plans or funds as past, intermediate, future, continuous, or allowable service as defined in the metropolitan transit commission-transit operating division employees retirement fund plan document in effect on December 31, 1977.

(9) Service after July 1, 1983, by an employee who is employed on a part-time basis for less than 50 percent of full time, for which the employee is paid salary from which deductions are made, deposited, and credited in the fund, including deductions made, deposited, and credited as provided in section 352.041 or for which payments in lieu of salary deductions are made, deposited, and credited in the fund as provided in section 352.27 shall be credited on a fractional basis either by pay period, monthly, or annually based on the relationship that the percentage of salary earned bears to a full-time salary, with any salary paid for the fractional service credited on the basis of the rate of salary applicable for a full-time pay period, month, or a full-time year. For periods of part-time service that is duplicated service credit, section 356.30, subdivision 1, clauses (i) and (j), govern.

(10) Any service by an employee in the Minnesota demonstration

job-sharing program under sections 43A.40 to 43A.465 which is less than 40 hours per week or 2,080 hours per year and for which the employee is paid salary from which deductions are made, deposited and credited in the fund, shall be credited on a fractional basis either weekly or annually based on the relationship that the number of hours of service bears to either 40 hours per week or 2,080 hours per year, with any salary paid for the fractional service credited on the basis of the rate of salary applicable for a full-time week or a full-time year.

The allowable service determined and credited on a fractional basis under clauses (9) and (10) shall be used in calculating the amount of benefits payable, but service as determined on a fractional basis must not be used in determining the length of service required for eligibility for benefits.

(11) (10) Any period of authorized leave of absence without pay that does not exceed one year and for which the employee obtained credit by payment to the fund in lieu of salary deductions. To obtain credit, the employee shall pay an amount equal to the employee and employer contribution rate in section 352.04, subdivisions 2 and 3, multiplied by the employee's hourly rate of salary on the date of return from leave of absence and by the days and months of the leave of absence without pay for which the employee wants allowable service credit. The employing department, at its option, may pay the employer amount on behalf of its employees. Payments made under this clause shall include interest at the rate of six percent per year from the date of termination of the leave of absence to the date payment is made unless payment is completed within one year of the return from leave of absence.

Sec. 3. Minnesota Statutes 1988, section 352.021, subdivision 5, is amended to read:

Subd. 5. [CONTINUING COVERAGE.] Any state employee who has made contributions to the retirement fund for a period of one year and who, continuing in state service after that year, becomes eligible for membership in the state teachers retirement association as a full-time teacher, as defined in section 354.05, subdivision 2, may continue coverage under the system by filing in its office written notice of election to continue. The election to be covered by the system under this subdivision or section 352.01, subdivision 2b, clause (3), must be made on a form approved by the director within 90 days after appointment to the position. If the option is exercised, the employee is not thereafter entitled to membership in the teachers retirement association while employed by the state in a position that entitled the employee to make this election.

Sec. 4. Minnesota Statutes 1988, section 352.03, subdivision 11, is amended to read:

Subd. 11. [LEGAL ADVISER, ATTORNEY GENERAL.] The attorney general shall be the legal adviser of the board and of the director. The board may sue or be sued or petitioned under this section in the name of the board of directors of the system. In actions brought by it or against it, the board shall be represented by the attorney general; and, except as provided in section 5, subdivision 9, venue of actions shall be in the Ramsey county district court.

Sec. 5. [352.031] [APPEALS PROCEDURE.]

Subdivision 1. [DEFINITIONS.] Unless the language or context clearly indicates that a different meaning is intended, for the purpose of this section, the following terms have the meanings given them.

(a) "Board" means the board of directors of the Minnesota state retirement system.

(b) "Documentation" includes, but is not limited to:

(1) sworn and notarized affidavits made on the personal knowledge of any person;

(2) official letters or documents;

(3) documents from the file of the petitioner; and

(4) other relevant documents that are admissible as evidence in a court of law.

(c) "Executive director" means the executive director of the Minnesota state retirement system.

(d) "Person" includes any state agency or other governmental unit that employs persons covered under statutes listed in subdivision 2.

(e) "Record" means the petition and the documentation that the petitioners submit with the petition; the executive director's answer to the petition and documentation submitted with it; and any documentation the board allows to be submitted at or after the meeting at which the petition is considered.

Subd. 2. [NOTICE OF TERMINATION OR DENIAL.] If the executive director terminates a benefit or denies an application or a written request of any person claiming a right under chapter 352, other than sections 352.96 and 352.97; chapters 3A, 352B, 352C, and 352D; sections 490.121 to 490.133; or the applicable sections of chapters 355 and 356, the executive director must serve upon that person written notice containing:

(1) the reasons for the termination or denial;

(2) notice that the person may petition the board for a review of the termination or denial and that the petition for review must be filed within 60 days of the receipt of the written notice;

(3) a statement that failure to petition the board within 60 days will preclude the person from contesting in any other court procedure or administrative hearing, the issues determined by the executive director; and

(4) a copy of this section.

Subd. 3. [PETITION FOR REVIEW.] A person who claims a right under subdivision 2 and whose benefit has been terminated or whose application or written request has been denied may petition for a review of that decision by the board. A petition under this section must be served upon the executive director personally, or by mail postmarked no later than 60 days after the petitioner received the notice required by subdivision 2. The petition must include the sworn, notarized statement of the reasons the petitioner believes the decision of the executive director should be reversed or modified and may include relevant documentation.

Subd. 4. [ANSWER; RECORD FOR HEARING.] Within a reasonable time after receiving a petition, the executive director must serve the petitioner with an answer to the petition with all relevant documentation and with notice of the time and place of the regular or special board meeting at which the board will consider the petition. The documentation need not duplicate the documentation submitted by the petitioner. Not later than ten days before the board meeting at which the petition will be heard, the executive director must, personally or by mail, deliver a copy of the relevant documentation to each board member. Each board member who participates in the decision on the petition must be familiar with all relevant documentation.

Subd. 5. [HEARING.] The board shall hold a timely hearing on a petition for review. The board shall make its decision on a petition solely on the relevant documentation as submitted and the proceedings of the hearing. At the hearing, the petitioner, the petitioner's attorney, and the executive director may state and discuss with the board their positions with respect to the petition. The board may allow further documentation to be placed in the record at or subsequent to the board meeting at which the petition is considered. If the board allows additional documentation into the record at or subsequent to the board meeting, it may make a final determination on the petition at that board meeting only upon the agreement of both the petitioner and the executive director.

Subd. 6. [TERMINATION OF BENEFITS.] If the executive direc-

tor proposes to terminate a benefit that is being paid to any person, before terminating the benefit, the executive director must, in addition to the other procedures prescribed herein, give the person written or oral notice of the proposed termination. The notice must explain the reason for the proposed termination. The person must be given an opportunity, verbally or in writing, to explain why the benefit should not be terminated: if the executive director is unable to contact the person and the executive director determines that a failure to terminate the benefit might result in unauthorized payment by the association, the executive director may terminate the benefit with only a written notice containing the information required by subdivision 2, mailed to the address to which the benefit was last sent and, if that address is a financial institution, to the last known address of the person.

Subd. 7. [MEDICAL ADVISOR ACTION.] If a person petitions the board to reverse or modify a determination by the executive director finding that the petitioner, for medical reasons, does not or has ceased to qualify for a disability benefit, the board may resubmit the matter to the medical advisor for reconsideration, with or without instructions to obtain further medical examinations. The board may make a determination contrary to the recommendation of the medical advisor only if there is expert medical evidence in the record to support its contrary decision. If there is no medical opinion contrary to the opinion of the medical advisor in the record and the medical advisor asserts that the decision was made in accordance with the disability standard in sections 352.01, subdivision 17; 352B.10; or 490.121, subdivision 13, the board must follow the determination of the medical advisor. The board may make a determination different from the recommendation of the medical advisor on issues that do not involve a medical opinion.

Subd. 8. [BOARD FINDINGS.] After the board has made a decision on a petition, the executive director must prepare findings of fact, the board's reasons for its conclusions, and the board's final order for the signature of the chair or other board member as the board, by resolution, may designate. The executive director shall serve the findings, conclusions, and order on the petitioner by certified mail.

Subd. 9. [APPEALS.] Within 30 days of receipt of the findings, conclusions, and final order, the petitioner may appeal the board's decision by writ or certiorari to the court of appeals. Failure to appeal to that court within the 30 days precludes the petitioner from later raising, in any court procedure or administrative hearing, those substantive and procedural issues that reasonably should have been raised upon appeal.

Subd. 10. [REFERRAL FOR ADMINISTRATIVE HEARING.] Notwithstanding sections 14.03; 14.06; and 14.57 to 14.69, a challenge to a determination of the executive director must be conducted

exclusively under the procedures in this section. The board in its sole discretion may refer a petition brought under this section to the office of administrative hearings for a contested case hearing under sections 14.57 to 14.69.

Subd. 11. [PETITIONS WITHOUT NOTICE.] A person who is not entitled to a review under this section may nevertheless receive review of the decision of the executive director which affects the person's rights by petitioning the board under this section within 60 days of the time the person knew or should have known of the disputed decision.

Sec. 6. Minnesota Statutes 1988, section 352.116, subdivision 3, is amended to read:

Subd. 3. [OPTIONAL ANNUITIES.] The board shall establish an optional retirement annuity in the form of a joint and survivor annuity. The board may also establish an optional annuity in the form of an annuity payable for a period certain and for life thereafter or establish an optional annuity which takes the form of a joint and survivor annuity providing that, if after the joint and survivor annuity becomes payable, the person with the designated remainder interest in the annuity dies before the former member, the annuity amount must be reinstated to a normal single life annuity amount as of the first day of the month after the day the person dies. In addition, the board may also establish an optional annuity that takes the form of an annuity calculated on the basis of the age of the retired employee at retirement and payable for the period before the retired employee becomes eligible for social security old age retirement benefits in a greater amount than the amount of the annuity calculated under subdivision 2 on the basis of the age of the retired employee at retirement but equal so far as possible to the social security old age retirement benefit and the adjusted retirement annuity amount payable immediately after the retired employee becomes eligible for social security old age retirement benefits and payable for the period after the retired employee becomes eligible for social security old age retirement benefits in an amount less than the amount of the annuity calculated under subdivisions 2 and 3. The social security leveling option may be calculated based on broad average social security old age retirement benefits. For each year that the retiring employee is under age 62, up to five percent of the total single life annuity required reserves may be used to accelerate the optional retirement annuity. This greater amount shall be paid until the end of the month in which the retired employee reaches age 62, at which time the annuity shall be reduced. The optional forms must be actuarially equivalent to the normal single life annuity forms provided in sections 352.115 and 352.116, whichever applies.

Sec. 7. Minnesota Statutes 1988, section 352.22, subdivision 1, is amended to read:

Subdivision 1. [SERVICE TERMINATION.] Any employee who ceases to be a state employee by reason of termination of state service or layoff is entitled to a refund provided in subdivision 2 or a deferred retirement annuity as provided in subdivision 3. Application for a refund may be made 30 or more days after the termination of state service or layoff if the applicant has not again become a state employee required to be covered by the system.

Sec. 8. Minnesota Statutes 1988, section 352.22, subdivision 2a, is amended to read:

Subd. 2a. [AMOUNT OF CERTAIN REFUND REPAYMENTS PROHIBITED.] For any employee who is entitled to a refund under subdivision 1 and who, before July 1, 1978, was a member of the metropolitan transit commission transit operating division employees retirement fund, the refund for contributions made before July 1, 1978, must equal the following amounts:

(a) For any employee contributions made before January 1, 1950, the amount equal to one-half of the employee contributions without interest;

(b) For any employee contributions made after December 31, 1949, but before January 1, 1975, the amount of the employee contributions plus simple interest at the rate of two percent per year; and

(c) For any employee contributions made after December 31, 1974, but before July 1, 1978, the amount of the employee contributions plus simple interest at the rate of 3½ percent per year. The refund of contributions made on or after July 1, 1978, must be determined under subdivision 2. Interest must be computed to the first day of the month in which the refund is processed and must be based on fiscal year balances. No refunds of contributions made to the metropolitan transit commission-transit operating division employees retirement fund received before July 1, 1978, or for service rendered before July 1, 1978, may be repaid.

Sec. 9. Minnesota Statutes 1988, section 352.93, subdivision 3, is amended to read:

Subd. 3. [PAYMENTS; DURATION AND AMOUNT.] The annuity under this section shall begin to accrue as provided in section 352.115, subdivision 8, and must be paid for an additional 84 full calendar months or to the first of the month following the month in which the employee becomes age 65, whichever occurs first, except that payment must not cease before the first of the month following the month in which the employee becomes 62. It must then be reduced to the amount as calculated under section 352.115, except that if this amount, when added to the social security benefit based on state service the employee is eligible to receive at the time, is less

than the benefit payable under subdivision 2, the retired employee shall receive an amount that when added to the social security benefit will equal the amount payable under subdivision 2.

When an annuity is reduced under this subdivision, the percentage adjustments, if any, that have been applied to the original annuity under section 11A.18, before the reduction, must be compounded and applied to the reduced annuity. A former correctional employee employed by the state in a position covered by the regular plan or the unclassified employees retirement program between the ages of 58 and 65 shall receive a partial return of correctional contributions at retirement with five percent interest based on the following formula:

Employee contributions contributed as a correctional employee in excess of the contributions the employee would have contributed as a regular employee	X	Years and complete months of regular service between ages 58 and 65 7
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Sec. 10. Minnesota Statutes 1988, section 352B.08, subdivision 3, is amended to read:

Subd. 3. [OPTIONAL ANNUITY FORMS.] In lieu of the single life annuity provided in subdivision 2, the member or former member with ten five years or more of service may elect an optional annuity form. The board of the Minnesota state retirement system shall establish a joint and survivor annuity, payable to a designated beneficiary for life, adjusted to the actuarial equivalent value of the single life annuity. The board shall also establish an additional optional annuity with an actuarial equivalent value of the single life annuity in the form of a joint and survivor annuity which provides that the elected annuity be reinstated to the single life annuity provided in subdivision 2, if after commencing the elected joint and survivor annuity, the designated beneficiary dies before the member, which reinstatement is not retroactive but takes effect for the first full month occurring after the death of the designated beneficiary. The board may also establish other actuarial equivalent value optional annuity forms. In establishing actuarial equivalent value optional annuity forms, each optional annuity form shall have the same present value as a regular single life annuity using the mortality table adopted by the board and the interest assumption specified in section 356.215, subdivision 4d, and the board shall obtain the written recommendation of the commission-retained actuary. These recommendations shall be a part of the permanent records of the board.

Sec. 11. Minnesota Statutes 1988, section 352B.10, subdivision 5, is amended to read:

Subd. 5. [OPTIONAL ANNUITY.] A disabled member ~~not eligible for may, in lieu of~~ survivorship coverage under section 352B.11, subdivision 2, ~~may~~ choose the normal disability benefit or an optional annuity as provided in section 352B.08, subdivision 2. The choice of an optional annuity must be made before commencement of payment of the disability benefit. It is effective ~~30 days after receipt of this choice or on~~ the date on which the disability benefit begins to accrue, ~~whichever is later. Upon becoming effective, the optional annuity begins to accrue on the date provided for the disability benefit.~~

Sec. 12. Minnesota Statutes 1988, section 352B.11, subdivision 2, is amended to read:

Subd. 2. [DEATH; PAYMENT TO SPOUSE AND CHILDREN.] If a member serving actively as a member, a member receiving the disability benefit provided by section 352B.10, subdivision 1, or a former member receiving a disability benefit as provided by section 352B.10, subdivision 3 2, dies from any cause, the surviving spouse and dependent children are entitled to benefit payments as follows:

(a) A member with at least five years of allowable service ~~or a former member with at least 20 years of allowable service~~ is deemed to have elected a 100 percent joint and survivor annuity payable to a surviving spouse only on or after the date the member or former member became or would have become 55.

(b) The surviving spouse of a member who had credit for less than five years of service shall receive, for life, a monthly annuity equal to 20 percent of that part of the average monthly salary of the member from which deductions were made for retirement. If the surviving spouse remarries, the annuity shall cease as of the date of the remarriage.

(c) The surviving spouse of a member who had credit for at least five years service and who died after attaining 55 years of age, may elect to receive a 100 percent joint and survivor annuity, for life, notwithstanding a subsequent remarriage, in lieu of the annuity prescribed in paragraph (b).

(d) The surviving spouse of any member who had credit for five years or more and who was not 55 years of age at death, shall receive the benefit equal to 20 percent of the average monthly salary as described in clause (b) until the deceased member would have reached the age of 55 years, and beginning the first of the month following that date, may elect to receive the 100 percent joint and survivor annuity. If the surviving spouse remarries before the deceased member's 55th birthdate, benefits or annuities shall cease

as of the date of remarriage. Remarriage after the deceased member's 55th birthday shall not affect the payment of the benefit.

(e) Each dependent child shall receive a monthly annuity equal to ten percent of that part of the average monthly salary of the former member from which deductions were made for retirement. A dependent child over 18 and under 22 years of age also may receive the monthly benefit provided in this section, if the child is continuously attending an accredited school as a full-time student during the normal school year as determined by the director. If the child does not continuously attend school but separates from full-time attendance during any part of a school year, the annuity shall cease at the end of the month of separation. In addition, a payment of \$20 per month shall be prorated equally to surviving dependent children when the former member is survived by one or more dependent children. Payments for the benefit of any qualified dependent child must be made to the surviving spouse, or if there is none, to the legal guardian of the child. The maximum monthly benefit must not exceed 40 percent of the average monthly salary for any number of children.

(f) If the member dies under circumstances that entitle the surviving spouse and dependent children to receive benefits under the workers' compensation law, the workers' compensation benefits received by them must not be deducted from the benefits payable under this section.

(g) The surviving spouse of a deceased former member who had credit for five or more years of allowable service, but not the spouse of a former member receiving a disability benefit under section 352B.10, subdivision 3 2, is entitled to receive the 100 percent joint and survivor annuity at the time the deceased member would have reached the age of 55 years, if the surviving spouse has not remarried before that date. If a former member dies who does not qualify for other benefits under this chapter, the surviving spouse or, if none, the children or heirs are entitled to a refund of the accumulated deductions left in the fund plus interest at the rate of five percent per year compounded annually.

Sec. 13. Minnesota Statutes 1988, section 352D.04, subdivision 1, is amended to read:

Subdivision 1. (a) An employee exercising an option to participate in the retirement program provided by this chapter may elect to purchase shares in one or a combination of the income share account, the growth share account, the money market account, the bond market account, the guaranteed return account, or the common stock index account established in section 11A.17. The employee may elect to participate in one or more of the investment accounts in the fund by specifying, on a form provided by the executive director, the percentage of the employee's contributions

provided in subdivision 2 to be used to purchase shares in each of the accounts.

(b) Twice in any calendar year, a participant may indicate in writing on forms provided by the Minnesota state retirement system a choice of options for subsequent purchases of shares. Until a different written indication is made by the participant, the executive director shall purchase shares in the supplemental fund as selected by the participant. If no initial option is chosen, 100 percent income shares must be purchased for a participant. A change in choice of investment option is effective no later than the first pay date first occurring after 30 days following the receipt of the request for a change.

(c) One month before the start of a new guaranteed investment contract, a participant or former participant may elect to transfer all or a portion of the participant's shares previously purchased in the income share, growth share, common stock index, bond market, or money market accounts to the new guaranteed investment contract in the guaranteed return account. ~~If a partial transfer is made, a minimum of \$1,000 must be transferred and a minimum balance of \$1,000 must remain in the previously selected investment options.~~ Upon expiration of a guaranteed investment contract, the participant's shares attributable to that contract must be transferred to a new guaranteed investment contract unless the executive director is otherwise directed by the participant. Shares in the guaranteed return account may not be withdrawn from the fund or transferred to another account until the guaranteed investment contract has expired, unless the participant qualifies for withdrawal under section 352D.05 or for benefit payments under sections 352D.06 to 352D.075.

(d) Twice in any calendar year a participant or former participant may also change the investment options selected for all or a portion of the participant's shares previously purchased in accounts other than the guaranteed return account. ~~However, if a partial transfer is made a minimum of \$1,000 must be transferred and a minimum balance of \$1,000 must remain in the previously selected investment option.~~ Changes in investment options for the participant's shares must be effected as soon as cash flow to an account practically permits, but not later than six months after the requested change.

Sec. 14. Minnesota Statutes 1988, section 352D.06, subdivision 1, is amended to read:

Subdivision 1. When a participant attains at least age 58 55, is retired from covered service, and applies for a retirement annuity, the cash value of the participant's shares shall be transferred to the Minnesota postretirement investment fund and used to provide an annuity for the retired employee based upon the participant's age when the benefit begins to accrue according to the reserve basis used

by the state employees retirement fund in determining pensions and reserves.

Sec. 15. Minnesota Statutes 1988, section 352D.075, subdivision 2, is amended to read:

Subd. 2. If a participant dies leaving a spouse and there is no named beneficiary who survives to receive payment or the spouse is named beneficiary, the spouse may receive:

(1) The value of the participant's total shares;

(2) The value of one-half of the total shares and beginning at age 58 55 or thereafter receive an annuity based on the value of one-half of the total shares, provided that if the spouse dies before receiving any annuity payments the value of said shares shall be paid to the spouse's children in equal shares, but if no such children survive then to the parents of the spouse in equal shares, but if no such children or parents survive, then to the estate of the spouse; or

(3) Beginning at age 58 55 or thereafter receive an annuity based on the value of the total shares, provided that if the spouse dies before receiving any annuity payments the value of said shares shall be paid to the spouse's children in equal shares, but if no such children survive then to the parents of the spouse in equal shares, but if no such children or parents survive, then to the estate of the spouse; and further provided, if said spouse dies after receiving annuity payments but before receiving payments equal to the value of the employee shares, the value of the employee shares remaining shall be paid to the spouse's children in equal shares, but if no such children survive then to the parents of the spouse in equal shares, but if no such children or parents survive, then to the estate of the spouse.

Sec. 16. [DEADLINE EXTENSION IN CERTAIN INSTANCES.]

Notwithstanding any provision of Minnesota Statutes, section 352D.12, to the contrary, a participant on the effective date of this section may transfer prior service contributions or repay any refund under that section by September 30, 1989, or within one year of the person's participation, whichever is later.

Sec. 17. [REPEALER.]

Minnesota Statutes 1988, sections 352.03, subdivision 13; and 352.73, subdivision 3, are repealed.

Sec. 18. [EFFECTIVE DATES.]

Sections 1 to 15 and 17 are effective July 1, 1989. Section 16 is effective the day following final enactment.

ARTICLE 2

TEACHERS' RETIREMENT ASSOCIATIONS

Section 1. Minnesota Statutes 1988, section 136.81, subdivision 1, is amended to read:

Subdivision 1. There shall be deducted from the salary of each person described in section 136.80, subdivision 1, a sum equal to five percent of the portion of the person's annual salary paid between \$6,000 and \$15,000. The deduction is to be made in the same manner as other retirement deductions are made from the salary of the person only after the first \$6,000 has been paid in a fiscal year. The state employer shall make a contribution to the plan on behalf of every covered person in an amount equal to the deductions made from the salary of the person. The moneys so deducted and the state employer contribution shall be deposited to the credit of the state university and community college supplemental retirement plan account of the teachers retirement fund. The account is hereby established and shall be separate and distinct from other funds, accounts, or assets of the teachers retirement fund. The money required to meet the obligation of the state as provided in this subdivision shall be contributed to the executive director of the teachers retirement association by the state. Two percent of the amount of the salary deductions and employer contributions must be credited to the administrative expense reserve account of the supplemental retirement plan and must be used for payment of necessary and reasonable administrative expenses of the supplemental retirement plan as provided in section 354.65.

Any deductions which are taken from the salary of a person for the supplemental retirement plan in error shall upon discovery and verification be refunded to the person. Any related employer contributions must be refunded to the employer. The retirement board executive director shall establish a reserve which shall must reflect any gains or losses realized due to the purchase and redemption of shares representing salary deductions and state employer contributions which were made in error. The balance of the reserve shall remaining after the refund of contributions made in error must be credited annually to the cancellation reserve established pursuant to section 136.82, subdivision 1, clause (5) administrative expense reserve account.

If any payroll salary deductions which are required pursuant to under this section are omitted, the amount of the omitted salary deductions shall may be remitted by the person to the supplemental retirement plan investment account of the teachers retirement

association within one year from the end of the fiscal year in which the deductions were due, and at the time of the receipt of 90 days following the association's written notification to the person of the omission, but not thereafter. If the omitted salary deductions are received from the person, the required state employer contribution shall then must be made paid by the employer within 30 days after the association's written notification to the employer of the amount due.

Sec. 2. Minnesota Statutes 1988, section 136.82, subdivision 1, is amended to read:

Subdivision 1. [GENERALLY.] (a) The executive director of the teachers retirement fund shall redeem shares in the accounts of the Minnesota supplemental retirement investment fund standing in an employee's share account record under the following circumstances, but always in accordance with the laws and rules governing the Minnesota supplemental retirement investment fund:

(b) The executive director shall redeem shares under this subdivision when requested to do so in writing on forms provided by the executive director by a person having shares to the credit of the employee's share account record if the person is age 55 or older and is no longer employed by the state university board or state board for community colleges. In such case the person must receive the cash realized on the redemption of the shares. The person may direct the redemption of not more than 20 percent of the person's shares in the employee's share account record in any one year and may not direct more than one redemption in any one calendar month; provided, however, that the state university board or its designee, in the case of a person employed by the state university board, and the state board for community colleges or its designee, in the case of a person employed by the state board for community colleges, may, upon application, at their sole discretion, permit greater withdrawals in any one year.

(c) The executive director shall redeem shares under this subdivision when requested to do so in writing, on forms provided by the executive director, by a person having shares to the credit of the employee's share account record if the person has left employment by the state university board or state board for community colleges because of a total and permanent disability as defined in section 354.05, subdivision 14. If the executive director finds that the person is totally and permanently disabled and will as a result be unable to return to similar employment, the person must receive the cash realized on the redemption of the shares. The person may direct the redemption of not more than 20 percent of the shares in the employee's share account record in any one year and may not direct more than one redemption in any one calendar month; provided, however, that the state university board or its designee, in the case of a person employed by the state university board, and the state

board for community colleges or its designee, in the case of a person employed by the state board for community colleges, may, upon application, at their sole discretion, permit greater withdrawals in any one year. If the person returns to good health, the person owes no restitution to the state or a fund established by its laws for a redemption under this paragraph.

(d) The executive director shall redeem shares under this subdivision in the event of the death of a person having shares to the credit of the employee's share account record and leaving a surviving spouse, when requested to do so in writing, on forms provided by the executive director, by the surviving spouse. The surviving spouse must receive the cash realized on the redemption of the shares. The surviving spouse may direct the redemption of not more than 20 percent of the shares in the deceased spouse's employee's share account record in any one year and may not direct more than one redemption in any one calendar month; provided, however, that the state university board or its designee, in the case of a person employed by the state university board, and the state board for community colleges or its designee, in the case of a person employed by the state board for community colleges, may, upon application, at their sole discretion, permit greater withdrawals in any one year. In that case the surviving spouse must receive the cash realized from the redemption of the shares. Upon the death of the surviving spouse any shares remaining in the employee's share account record must be redeemed by the executive director and the cash realized from the redemption must be distributed to the estate of the surviving spouse.

(e) In the event of the death of a person having shares to the credit of the employee's share account record and leaving no surviving spouse, the executive director shall redeem all shares to the credit of the employee's share account record and pay the cash realized from the redemption to the estate of the deceased person.

(f) The executive director shall redeem shares under this subdivision when requested to do so in writing, on forms provided by the executive director, by a person having shares to the credit of the employee's share account record if the person is no longer employed by the state university board or state board for community colleges, but does not qualify under the provisions of paragraphs (b) to (e). In that case, the person is entitled upon application to receive one-half of the cash realized on the redemption of shares must be received by the person and one-half becomes the property must be credited to the administrative expense reserve account of the supplemental retirement plan account of the teachers retirement fund for payment of necessary and reasonable administrative expenses of the supplemental retirement plan as provided in section 354.65. Annually on July 1 the cancellations of the previous 12 months must be prorated among the employees share accounts in proportion to the value that each account bears to the total value of all share accounts.

Sec. 3. Minnesota Statutes 1988, section 136.82, subdivision 2, is amended to read:

Subd. 2. [REDEMPTION OF SHARES AS AN ANNUITY.] A person who has shares to the credit of the employee's share account record, who is 55 years of age or older and who is no longer employed by the state university board or the state board for community colleges or who is totally and permanently disabled pursuant to subdivision 1, paragraph (2) (c), or who has the status of a surviving spouse of a person who has shares to the credit of the employee's share account pursuant to subdivision 1, paragraph (3) (d), may redeem all or part of the shares to purchase an annuity by depositing the cash realized upon redemption with the executive director of the teachers retirement fund and receive in exchange an annuity for life or an optional annuity as hereinafter provided. The election to purchase an annuity may be made only once by any individual. If an election is made before the date on which the person is entitled to request redemption, the redemption shall not be made prior to the date upon which the person would be entitled to make the request. The annuity purchase rates shall be based on the annuity table of mortality adopted by the board of trustees of the teachers retirement fund for the fund as provided in section 354.07, subdivision 1, using the interest assumption specified in section 356.215, subdivision 4d. The amount of the annuity for life shall be that amount which has a present value equal to the cash realized on the redemption of the shares as of the first day of the month next following the date of the election to purchase an annuity. The board of trustees of the teachers retirement fund shall establish an optional joint and survivor annuity, an optional annuity payable for a period certain and for life thereafter, and an optional guaranteed refund annuity paying the annuitant a fixed amount for life with the guarantee that in the event of death the balance of the cash realized from the redemption of shares is payable to the designated beneficiary. The optional forms of annuity shall be actuarially equivalent to the single life annuity as defined in section 354.05, subdivision 7. In establishing these optional forms, the board of trustees shall obtain the written recommendation of the actuary retained by the legislative commission on pensions and retirement, and these recommendations shall be a part of the permanent records of the board of trustees.

Sec. 4. Minnesota Statutes 1988, section 354.05, subdivision 35, is amended to read:

Subd. 35. [SALARY.] (a) "Salary" means the compensation paid to a teacher excluding, upon which member contributions are required and made, that is paid to a teacher before any allowable reductions permitted under the federal Internal Revenue Code of 1986, as amended through December 31, 1988, for employee selected fringe benefits, tax sheltered annuities, deferred compensation, or any combination of these items.

(b) "Salary" does not mean:

(1) lump sum annual or leave payments;

(2) lump sum sick leave payments and all;

(3) payments in lieu of any employer paid group insurance coverage, including the difference between single and family premium rates, that may be paid to a member with single coverage.
"Salary" does not mean;

(4) any form of payment made in lieu of any other employer paid fringe benefit or expense; or;

(5) any form of severance payments;

(6) workers' compensation payments; or

(7) disability insurance payments including self-insured disability payments.

Subd. 35a. [SEVERANCE PAYMENTS.] Severance payments include, but are not limited to:

(a) (1) payments to an employee to terminate employment;

(b) (2) payments, or that portion of payments, that are not clearly for the performance of services by the employee to the employer; and

(c) (3) payments to an administrator or former administrator serving as an advisor to a successor or as a consultant to the employer under an agreement to terminate employment within two years or less of the execution of the agreement for compensation that is significantly different than the most recent contract salary; and

(4) payments under a procedure that allows the employee to designate the time of payment if the payments are made during the period of formula service credit used to compute a benefit or annuity under section 354.44, subdivision 6 or 7; 354.46, subdivision 1 or 2; or 354.48, subdivision 3.

Sec. 5. Minnesota Statutes 1988, section 354.05, subdivision 37, is amended to read:

Subd. 37. [TERMINATION OF TEACHING SERVICE.] "Termination of teaching service" means the withdrawal of a member from active teaching service by resignation or the termination of the member's teaching contract by the employer. A member is not considered to have terminated teaching service, if before the effective date of the termination or retirement, the member has entered

into a contract to resume teaching service with an employing unit covered by the provisions of this chapter.

Sec. 6. Minnesota Statutes 1988, section 354.07, subdivision 3, is amended to read:

Subd. 3. The attorney general shall be legal advisor to the board and the executive director. The board may sue or be sued or petitioned under section 7 in the name of the board of trustees of the teachers retirement fund and. In all actions brought by or against it the board shall be represented by the attorney general. Except as provided in section 7, subdivision 9, venue of all actions is in the Ramsey county district court.

Sec. 7. [354.071] [APPEALS PROCEDURE.]

Subdivision 1. [DEFINITIONS.] Unless the language or context clearly indicates that a different meaning is intended, for the purpose of this section, the following terms have the meanings given.

(a) "Documentation" includes but is not limited to:

(1) sworn and notarized affidavits made on the personal knowledge of any person;

(2) official letters or documents;

(3) documents from the file of the petitioner; and

(4) other relevant documents that are admissible as evidence in a court of law.

(b) "Executive director" means the executive director of the teachers retirement association.

(c) "Person" includes any state institution, school district, or other governmental unit that employs persons covered under statutes listed in subdivision 2.

(d) "Record" means the petition and the documentation that the petitioners submit with the petition, the executive director's answer to the petition and documentation submitted with it, and any documentation the board allows to be submitted at or after the meeting at which the petition is considered.

Subd. 2. [NOTICE OF TERMINATION OR DENIAL.] If the executive director terminates a benefit or denies an application or a written request of any person claiming a right under this chapter or the applicable sections of chapters 136, 355, and 356, the executive

director must serve upon that person a written notice. The notice must contain:

(1) the reasons for the termination or denial;

(2) notice that the person may petition the board for a review of the termination or denial and that the petition for review must be filed within 60 days of the receipt of the written notice;

(3) a statement that failure to petition the board within 60 days will preclude the person from contesting in any other court procedure or administrative hearing, the issues determined by the executive director; and

(4) a copy of this section.

Subd. 3. [PETITION FOR REVIEW.] A person who claims a right under subdivision 2 and whose benefit has been terminated or whose application or written request has been denied may petition for a review of that decision by the board. A petition under this section must be served upon the executive director personally, or by mail postmarked no later than 60 days after the petitioner received the notice required by subdivision 2. The petition must include the sworn, notarized statement of the reasons the petitioner believes the decision of the executive director should be reversed or modified and may include relevant documentation.

Subd. 4. [ANSWER; RECORD FOR HEARING.] Within a reasonable time after receiving a petition, the executive director must serve the petitioner with an answer to the petition with all relevant documentation and with notice of the time and place of the regular or special board meeting at which the board will consider the petition. The documentation need not duplicate the documentation submitted by the petitioner. Not later than ten days before the board meeting at which the petition will be heard and at the time the petition is considered by the board, the executive director must, personally or by mail, deliver a copy of the relevant documentation to each board member. Each board member who participates in the decision on the petition must be familiar with all relevant documentation.

Subd. 5. [HEARING.] The board shall hold a timely hearing on a petition for review. The board shall make its decision on a petition solely on the relevant documentation as submitted and the proceedings of the hearing. At the hearing the petitioner, the petitioner's attorney, and the executive director may state and discuss with the board their positions with respect to the petition. The board may allow further documentation to be placed in the record at or subsequent to the board meeting at which the petition is considered. If the board allows additional documentation into the record at or subsequent to the board meeting, it may make a final determination

on the petition at that board meeting only upon the agreement of both the petitioner and the executive director.

Subd. 6. [TERMINATION OF BENEFITS.] If the executive director proposes to terminate a benefit that is being paid to any person, before terminating the benefit the executive director must, in addition to the other procedures prescribed herein, give the person written or oral notice of the proposed termination. The notice must explain the reason for the proposed termination. The person must be given an opportunity, verbally or in writing, to explain why the benefit should not be terminated. If the executive director is unable to contact the person and the executive director determines that a failure to terminate the benefit might result in unauthorized payment by the association, the executive director may terminate the benefit with only a written notice containing the information required by subdivision 2, mailed to the address to which the benefit was last sent and, if that address is a financial institution, to the last known address of the person.

Subd. 7. [MEDICAL ADVISOR ACTION.] If a person petitions the board to reverse or modify a determination by the executive director finding that the petitioner, for medical reasons, does not or has ceased to qualify for a disability benefit, the board may resubmit the matter to the medical advisor for reconsideration, with or without instructions to obtain further medical examinations. The board may make a determination contrary to the recommendation of the medical advisor only if there is expert medical evidence in the record to support its contrary decision. If there is no medical opinion contrary to the opinion of the medical advisor in the record and the medical advisor asserts that the decision was made in accordance with the disability standard in section 354.05, subdivision 14, the board must follow the determination of the medical advisor. The board may make a determination different from the recommendation of the medical advisor on issues that do not involve a medical opinion.

Subd. 8. [BOARD FINDINGS.] After the board has made a decision on a petition, the executive director must prepare findings of fact, the board's reasons for its conclusions, and the board's final order for the signature of the chair or other board member as the board, by resolution, may designate. The executive director must serve the findings, conclusions, and order on the petitioner by certified mail.

Subd. 9. [APPEALS.] Within 30 days of receipt of the findings, conclusions, and final order, the petitioner may appeal the board's decision by writ of certiorari to the court of appeals. Failure to appeal to that court within the 30 days precludes the petitioner from later raising, in any court procedure or administrative hearing, those substantive and procedural issues that reasonably should have been raised upon appeal.

Subd. 10. [REFERRAL FOR ADMINISTRATIVE HEARING.] Notwithstanding sections 14.03, 14.06, and 14.57 to 14.69, a challenge to a determination of the executive director must be conducted exclusively under the procedures in this section. The board in its sole discretion may refer a petition brought under this section to the office of administrative hearings for a contested case hearing under sections 14.57 to 14.69.

Subd. 11. [PETITION WITHOUT NOTICE.] A person who is not entitled to notice of a right of review under this section may nevertheless receive review of a decision of the executive director which affects the person's rights by petitioning the board under this section within 60 days of the time the person knew or should have known of the disputed decision.

Sec. 8. Minnesota Statutes 1988, section 354.091, is amended to read:

354.091 [SERVICE CREDIT.]

In computing the time of service of a teacher, the length of a legal school year in the district or institution where such service was rendered shall constitute a year under sections 354.05 to 354.10, provided such year is not less than the legal minimum school year of this state. No person shall be allowed credit for more than one year of teaching service for any fiscal year. Commencing July 1, 1969 1961 (1) if a teacher teaches only a fractional part of a day, credit shall be given for a day of teaching service for each five hours taught, and (2) if a teacher teaches at least 170 full days in any fiscal year credit shall be given for a full year of teaching service, and (3) if a teacher teaches for only a fractional part of the year credit shall be given for such fractional part of the year as the term of service rendered bears to 170 days. Teaching service performed prior to July 1, 1969 1961 shall be computed pursuant to the law in effect at the time it was rendered.

In no event shall any teacher lose or gain retirement service credit as a result of the employer converting to a four day work week. If the employer does convert to a four day work week, the forms for reporting and procedures for determining service credit shall be determined by the executive director with the approval of the board of trustees.

Sec. 9. Minnesota Statutes 1988, section 354.092, is amended to read:

354.092 [SABBATICAL LEAVE.]

A member who is granted a sabbatical leave may receive allowable service credit not exceeding three years in any ten consecutive

years toward a retirement annuity by paying into the fund employee contributions during the period of leave. The employee contribution shall be based upon the appropriate rate of contributions and the salary received during the year immediately preceding the leave. This payment shall be made by the end of the fiscal year following the fiscal year in which the leave of absence terminated, and shall be without interest. A member shall not accrue more than three years allowable service by reason of this section unless the allowable service credit was paid for by the member prior to July 1, 1962. A sabbatical leave for the purpose of this section shall be compensated by a minimum of one-third of the salary the member received for a comparable period during the prior fiscal year. Before the end of the fiscal year during which any sabbatical leave begins, the employing unit granting the leave must certify the leave to the association on a form specified by the executive director. Deductions for employee contributions at the applicable rate specified in section 354.42 must be made by the employing unit from salary paid to the member for a sabbatical leave. The member may also make direct payment of employee contributions at the appropriate rates specified in section 354.42 based upon the difference between the salary received for the sabbatical leave and the salary received for a comparable period during the year immediately preceding the leave. This direct payment must be made by the end of the fiscal year following the fiscal year in which the leave of absence terminated and must be without interest. If the employee contributions during the period of the leave made under this section are less than the employee contributions based on the salary received made for a comparable period during the year immediately preceding the leave, the allowable and formula service credit of the member shall be prorated according to section 354.05, subdivision 25, clause (3), except that if the member is paid full salary for any sabbatical leave of absence, either past or prospective, the allowable and formula service credit shall not be prorated. A member may not receive more than three years of allowable service credit in any ten consecutive years under this section unless the allowable service credit was paid for by the member before July 1, 1962. For sabbatical leaves taken that begin after June 30, 1986, the required employer contribution, including the amortization amount contributions specified in section 354.42, subdivisions 3 and 5, shall must be paid by the employing unit within 30 days after the association's written notification by the association to the employing unit of the amount due.

Sec. 10. Minnesota Statutes 1988, section 354.10, subdivision 2, is amended to read:

Subd. 2. [AUTOMATIC DEPOSITS.] The board may pay an annuity or benefit to a banking institution, qualified under chapter 48, that is a trustee for a person eligible to receive such the annuity or benefit. Upon completion of the proper forms as provided by the board executive director, the annuity or benefit amount may be

electronically transferred or the annuity or benefit check may be mailed to a banking institution, savings association or credit union for deposit to the recipient's individual account or joint account with a the recipient's spouse. The board shall prescribe the conditions which shall govern these procedures.

Sec. 11. Minnesota Statutes 1988, section 354.35, is amended to read:

354.35 [RETIREMENT BEFORE BECOMING ELIGIBLE FOR SOCIAL SECURITY OPTIONAL ACCELERATED RETIREMENT ANNUITY BEFORE AGE 65.]

Any coordinated member who retires before becoming eligible for social security retirement benefits age 65, may elect to receive an optional accelerated retirement annuity from the association which provides for different annuity amounts over different periods of retirement. The election of this optional accelerated retirement annuity shall be exercised by making an application to the board on a form provided by the board. The optional accelerated retirement annuity shall take the form of an annuity payable for the period before the member attains the age of 65 years in a greater amount than the amount of the annuity calculated under section 354.44 on the basis of the age of the member at retirement but equal insofar as possible to the social security old age retirement benefit and the adjusted retirement annuity amount payable immediately after the annuitant becomes eligible for social security old age retirement benefits in an amount less than the amount of the annuity calculated under section 354.44 on the basis of the age of the member at retirement. The social security leveling option may be calculated based on broad average social security old age retirement benefits. the optional accelerated retirement annuity shall must be the actuarial equivalent of the member's annuity computed on the basis of the member's age at retirement. The greater amount shall must be paid until the member retiree reaches the age of 65 and at which that time the payment from the association shall must be reduced. For each year the retiree is under age 65, up to five percent of the total life annuity required reserves may be used to accelerate the optional retirement annuity under this section. The method of computing the optional accelerated retirement annuity provided in this section shall be established by the board of trustees. In establishing the method of computing the optional accelerated retirement annuity, the board of trustees shall must obtain the written recommendation approval of the commission-retained actuary. The recommendations shall written approval must be a part of the permanent records of the board of trustees.

Sec. 12. Minnesota Statutes 1988, section 354.42, subdivision 7, is amended to read:

Subd. 7. [ERRONEOUS SALARY DEDUCTIONS OR DIRECT

PAYMENTS.] (4) (a) Any deductions taken from the salary of an employee for the retirement fund in error shall, be refunded to the employee upon discovery and verification by the school district or institution employing unit making the deduction, be refunded to the employee and the corresponding employer contribution and additional employer contribution amounts attributable to the erroneous salary deduction must be refunded to the employing unit.

(2) In the event (b) If salary deductions and employer contributions were erroneously transmitted to the retirement fund and should have been transmitted to another public pension fund enumerated in section 356.30, subdivision 3, the retirement fund must transfer these salary deductions and employer contributions to the appropriate public pension fund without interest.

(c) If a salary warrant or check from which a deduction for the retirement fund was taken has been canceled or the amount of the warrant or check has been returned to the funds of the school district or institution employing unit making the payment, a refundment refund of the sum so amount deducted, or any portion of it as that is required to adjust the salary deductions, shall be made to the school district or institution provided application for it is made on a form furnished by the retirement board employing unit.

(d) Any erroneous direct payments of member paid contributions or erroneous salary deductions that were not refunded in the regular processing of an employing unit's annual summary report shall be refunded to the member with interest computed using the rate and method specified in section 354.49, subdivision 2.

Sec. 13. Minnesota Statutes 1988, section 354.44, subdivision 3, is amended to read:

Subd. 3. [APPLICATION FOR RETIREMENT.] Retirement may Application for retirement must be made upon application of by the member or of by someone acting authorized to act in the member's behalf. Application must be made on a form prescribed by the executive director.

Sec. 14. Minnesota Statutes 1988, section 354.44, subdivision 5, is amended to read:

Subd. 5. [RESUMPTION OF TEACHING SERVICE AFTER RETIREMENT.] Any person who retired under any provision of any retirement law applicable to schools and institutions covered by the provisions of this chapter and has thereafter resumed teaching in any school or institution employer unit to which this chapter applies shall is eligible to continue to receive payments in accordance with the annuity except that annuity payments must be reduced during any the calendar year immediately following any calendar year in which the person's income from the teaching service is in an amount

equal to or greater than the annual maximum earnings allowable for that age for the continued receipt of full benefit amounts monthly under the federal old age, survivors and disability insurance program as set by the secretary of health and human services pursuant to the provisions of under United States Code, title 42, section 403. The amount of the reduction must be one-half of the amount in excess of the applicable reemployment income maximum specified in this subdivision and must be deducted from the annuity payable for the calendar year immediately following the calendar year in which the excess amount was earned. If the person has not yet reached the minimum age for the receipt of social security benefits, the maximum earnings for the person must be equal to the annual maximum earnings allowable for the minimum age for the receipt of social security benefits.

If the person is retired for only a fractional part of the calendar year during the initial year of retirement, the maximum reemployment income specified in this subdivision must be prorated for that calendar year.

After a person has reached the age of 70, no reemployment income maximum is applicable regardless of the amount of income. For the purpose of this subdivision, income from teaching service shall include includes, but is not limited to:

(a) all income for services performed as a consultant or an independent contractor for an employer unit covered by the provisions of this chapter; and

(b) the greater of either the income received or an amount based on the rate paid with respect to an administrative position, consultant, or independent contractor in an employer unit with approximately the same number of pupils and at the same level as the position occupied by the person who resumes teaching service.

In the event that the person has not yet reached the minimum age for the receipt of social security benefits, the maximum earnings for the person shall be equal to the annual maximum earnings allowable for the minimum age for the receipt of social security benefits. The amount in excess of the applicable reemployment income maximum specified in this subdivision shall be deducted from the annuity payable for the year immediately following the year in which the excess amount was earned. After a person has reached the age of 70, the person shall receive the annuity in full regardless of the amount of income.

Sec. 15. Minnesota Statutes 1988, section 354.44, is amended by adding a subdivision to read:

Subd. 5a. [EXEMPTION FOR INTERIM SUPERINTENDENT.] A person who performs services as an interim superintendent

because of the death, disability, termination, or resignation of the previous superintendent is exempt from the earnings limitations and reductions in annuity payments in subdivision 5 for up to 90 working days of service as an interim superintendent. During this period of up to 90 working days, the school board may pay the interim superintendent at any rate, up to the rate paid to the previous superintendent. This exemption applies only if the school board hiring the interim superintendent submits an application for the exemption to the executive director, and the executive director approves the application before the services as interim superintendent begin. The application must certify that the school board has unanimously approved the exemption from the earnings limitations and reductions. The executive director may prescribe a form for the application. A school board may not apply for more than one exemption in a fiscal year. No more than three exemptions may be approved for any person. Only one exemption may be approved for any person in a fiscal year.

Sec. 16. Minnesota Statutes 1988, section 354.44, subdivision 8, is amended to read:

Subd. 8. [ANNUITY PAYMENT; EVIDENCE OF RECEIPT.] Payment of An annuity or benefit for a given month shall must be paid during the first week of that month. Evidence of receipt of the check issued or acknowledgment of the amount electronically transferred in payment of an annuity or benefit shall be submitted by may be required from the payee or a banking institution on a form prescribed by the executive director. The evidence of receipt form shall may be submitted required periodically at times specified by the board. In the event the required evidence of receipt form is not submitted required, future annuities or benefits shall must be withheld until the form is submitted.

Sec. 17. Minnesota Statutes 1988, section 354.47, subdivision 2, is amended to read:

Subd. 2. [BENEFITS OF \$500 \$1,500 OR LESS.] If a member or a former member dies without having a surviving designated beneficiary, or if the beneficiary should die before making application for the refundment and the amount to the credit of such deceased member or former member, and the amount of the benefit the decedent is \$500 \$1,500 or less, the retirement board of trustees may 90 days after the date of death of the member or former member, in the absence of probate proceedings, make payment to the surviving spouse of the deceased member or former members, or, if none to the next of kin under the laws of descent of the state of Minnesota and such decedent. This payment shall be a bar to recovery of this payment from the association by any other person or persons. Any accrued retirement allowance or annuity which shall have accrued at the time of death of an annuitant, disability, or survivor benefit, may be paid in like the same manner.

Sec. 18. Minnesota Statutes 1988, section 354.48, subdivision 1, is amended to read:

Subdivision 1. [AGE, SERVICE AND SALARY REQUIREMENTS.] Any A member who became is totally and permanently disabled after and has at least five years of credited allowable service shall be at the time that the total and permanent disability begins is entitled to a disability benefit based on this allowable service in an amount provided in subdivision 3. If such the disabled person's member's teaching service has terminated at any time, at least three of the required five years of allowable service must have been rendered after last becoming a member. Any member whose average salary is less than \$75 per month shall is not be entitled to disability benefits.

Sec. 19. Minnesota Statutes 1988, section 354.48, subdivision 2, is amended to read:

Subd. 2. [APPLICATIONS.] Any person described in subdivision 1, or another person authorized to act on behalf of the person; may make application for a total and permanent disability benefit only within the 18 months month period following the termination of teaching service but not thereafter. This benefit shall begin to accrue accrues from the day following the commencement of disability or the day following the date on last day for which salary ceases is paid, whichever is later, but shall may not begin to accrue more than 90 days prior to before the date the application is filed with the board. If salary is being received for either annual or sick leave during the period, payments shall accrue from the date day following the last day for which this salary ceases is paid.

Sec. 20. Minnesota Statutes 1988, section 354.65, is amended to read:

354.65 [ADMINISTRATIVE EXPENSES.]

Necessary and reasonable administrative expenses incurred by the teachers retirement association shall must be prorated and allocated to the teachers retirement fund, and the organization's participation in both the Minnesota variable annuity investment fund, the Minnesota postretirement investment fund and the Minnesota supplemental investment retirement fund in accordance with policies and procedures established by the board of trustees of the teachers retirement association.

Sec. 21. [354A.095] [MATERNITY LEAVE.]

A basic or coordinated member of the St. Paul teachers' retirement fund association and old or new coordinated members of the Duluth teachers' retirement fund association, who are granted

parental or maternity leave of absence by the employing authority, are entitled to obtain service credit not to exceed one year for the period of leave upon payment to the applicable fund by the end of the fiscal year in which the leave of absence terminated. The amount of the payment must include the total required employee and employer contributions for the period of leave prescribed in section 354A.12. Payment must be based on the member's average monthly salary upon return to teaching service, and is payable without interest. Payment must be accompanied by a certified or otherwise adequate copy of the resolution or action of the employing authority granting or approving the leave.

Sec. 22. Minnesota Statutes 1988, section 354A.31, subdivision 3, is amended to read:

Subd. 3. [RESUMPTION OF TEACHING AFTER COMMENCEMENT OF A RETIREMENT ANNUITY.] Any person who retired and is receiving a coordinated program retirement annuity under the provisions of sections 354A.31 to 354A.41 and who has resumed teaching service for the school district in which the teachers retirement fund association exists shall be is entitled to continue to receive retirement annuity payments except that for any person under the age of 72 years during any quarter in which the person's compensation for the teaching service is in an amount equal to or greater than the quarterly maximum earnings allowable for that age for the continued receipt of full benefit amounts monthly under the federal old age, survivors and disability insurance program as set by the secretary of health and human services pursuant to the provisions of United States Code, title 42, section 403. In the event that the person has not yet reached the minimum age for the receipt of social security benefits, the maximum earnings for the person shall be equal to the quarterly maximum earnings allowable for the minimum age for the receipt of social security benefits. The amount in excess of the applicable reemployment income maximum specified in this subdivision shall be deducted from the retirement annuity payment payable for the quarter immediately following the quarter in which the excess amount was earned. Any person to whom this subdivision applies who has reached the age of at least 72 years shall be entitled to continue to receive retirement annuity payments in full that annuity payments must be reduced during the calendar year immediately following the calendar year in which the person's income from the teaching service is in an amount greater than the annual maximum earnings allowable for that age for the continued receipt of full benefit amounts monthly under the federal old age, survivors and disability insurance program as set by the secretary of health and human services under the provisions of United States Code, title 42, section 403. The amount of the reduction must be one-half the amount in excess of the applicable reemployment income maximum specified in this subdivision and must be deducted from the annuity payable for the calendar year immediately following the calendar year in which the excess

amount was earned. If the person has not yet reached the minimum age for the receipt of social security benefits, the maximum earnings for the person must be equal to the annual maximum earnings allowable for the minimum age for the receipt of social security benefits.

If the person is retired for only a fractional part of the calendar year during the initial year of retirement, the maximum reemployment income specified in this subdivision must be prorated for that calendar year.

After a person has reached the age of 70, no reemployment income maximum is applicable regardless of the amount of any compensation received for teaching service for the school district in which the teachers retirement fund association exists.

Sec. 23. Minnesota Statutes 1988, section 356.30, subdivision 2, is amended to read:

Subd. 2. [REPAYMENT OF REFUNDS.] Any A person who is employed has service credit in a position covered by one of the funds enumerated in subdivision 3 and who is employed or was formerly employed in a position covered by one of these funds but also has received a refund from any other of such these funds, may repay such the refund to the respective fund under such terms and conditions as that are consistent with the laws governing such the other fund, except that the person need not be a currently contributing member of the fund to which the refund is repaid at the time the repayment is made. Unless otherwise provided by statute, the repayment of a refund under this subdivision may only be made within six months following termination of employment from a position covered by one of the funds enumerated in subdivision 3 or before the date of retirement from the fund to which the refund is repaid, whichever is earlier.

Sec. 24. Minnesota Statutes 1988, section 356.371, subdivision 3, is amended to read:

Subd. 3. [REQUIREMENT OF NOTICE TO MEMBER'S SPOUSE.] If a public pension fund provides optional retirement annuity forms which include a joint and survivor optional retirement annuity form potentially applicable to the surviving spouse of a member, the chief administrative officer of the public pension fund shall send a copy of the written statement required by subdivision 2 to the spouse of the member prior to before the member's election of an optional retirement annuity.

Following the election of an optional retirement annuity form by the member, a copy of the completed retirement annuity application shall and retirement annuity beneficiary form must be sent by certified mail by the public pension fund to the spouse of the retiring

member. A signed acknowledgment must be required from the spouse confirming receipt of a copy of the completed retirement annuity application and retirement annuity beneficiary form. If the required signed acknowledgment is not received from the spouse within 30 days, the public pension fund must send another copy of the completed retirement annuity application and retirement annuity beneficiary form to the spouse by certified mail.

Sec. 25. Minnesota Statutes 1988, section 356.80, subdivision 1, is amended to read:

Subdivision 1. [INFORMATION FOR A PENDING MARRIAGE DISSOLUTION.] (a) Upon written request by a person with access to the data under subdivision 3 who cites this statute, a public or private pension plan administrator must provide the court and the parties to a marriage dissolution action involving a plan member or former plan member with information regarding pension benefits or rights of the plan member or former plan member. The pension plan shall provide this information upon request of the court or a party to the action without requiring a signed authorization from the plan member or former plan member.

(b) The information must include the pension benefits or rights of the plan member or former plan member as of the first day of the month following the date of the request, or as of the end of the previous fiscal year for the plan, and as of the date of valuation of marital assets under section 518.58, if the person requesting the information specifies that date. The information must include the accrued service credit of the person, the credited salary of the person for the most current five-year period, a summary of the benefit plan, and any other information relevant to the calculation of the present value of the benefits or rights.

Sec. 26. Minnesota Statutes 1988, section 356.80, subdivision 3, is amended to read:

Subd. 3. [ACCESS TO DATA.] Notwithstanding any provision of chapter 13 to the contrary, an administrator may release private or confidential data on individuals to the court, the parties to a marriage dissolution, their attorneys, and an actuary appointed under section 518.582, to the extent necessary to comply with this section, but only if the administrator has received a copy of the legal petition showing that an action for marriage dissolution has commenced and a copy of the affidavit of service showing that the petition has been served on the responding party to the action.

Sec. 27. [356.81] [REPAYMENT OF REFUNDS.]

Repayment of a refund and interest on that refund permitted under laws governing any public pension plan in Minnesota may be made with funds distributed from a plan qualified under the federal

Internal Revenue Code of 1986, as amended through December 31, 1988, section 401(a) or an annuity qualified under the federal Internal Revenue Code of 1986, section 403(a). Repayment may also be made with funds distributed from an individual retirement account used solely to receive a nontaxable rollover from that type of a plan or annuity. The repaid refund must be separately accounted for as member contributions not previously taxed. Before accepting any transfers to which this subdivision applies, the executive director must require the member to provide written documentation to demonstrate that the amounts to be transferred are eligible for a tax-free rollover and qualify for that treatment under the federal Internal Revenue Code of 1986.

Sec. 28. [REPEALER.]

Minnesota Statutes 1988, sections 136.88, subdivision 3; 354.41, subdivision 3; 354.531; 354.532; 354.55, subdivision 5; and 354.56, are repealed.

Sec. 29. [EFFECTIVE DATE.]

Sections 2 to 13 and 15 to 28 are effective the day following final enactment. Section 1 is effective July 1, 1989. Section 14 is effective January 1, 1989.

ARTICLE 3

PERA

Section 1. Minnesota Statutes 1988, section 353.01, subdivision 2a, is amended to read:

Subd. 2a. [INCLUDED EMPLOYEES.] The following persons are included in the meaning of "public employee":

- (1) elected or appointed officers and employees of elected officers;
- (2) district court reporters;
- (3) officers and employees of the public employees retirement association;
- (4) employees of the league of Minnesota cities;
- (5) employees of the association of metropolitan municipalities;
- (6) officers and employees of public hospitals owned or operated by, or an integral part of, a governmental subdivision or governmental subdivisions;

~~(6)~~ (7) employees of a school district who receive separate salaries for driving their own buses;

~~(7)~~ (8) employees of the association of Minnesota counties;

~~(8)~~ (9) employees of the metropolitan intercounty association;

~~(9)~~ (10) employees of the Minnesota municipal utilities association;

~~(10)~~ (11) employees of the Minnesota association of townships when the board of the association, at its option, certifies to the executive director that its employees are to be included for purposes of retirement coverage, in which case coverage of all employees of the association is permanent;

~~(12)~~ (12) employees of the metropolitan airports commission if employment initially commenced after June 30, 1979;

~~(11)~~ (13) employees of the Minneapolis employees retirement fund, if employment initially commenced after June 30, 1979;

~~(12)~~ (14) employees of the range association of municipalities and schools;

~~(13)~~ (15) employees of the soil and water conservation districts;

~~(14)~~ (16) employees of a county historical society who are county employees;

~~(15)~~ (17) employees of a county historical society located in the county whom the county, at its option, certifies to the executive director to be county employees for purposes of retirement coverage under this chapter, which status must be accorded to all similarly situated county historical society employees and, once established, must continue as long as a person is an employee of the county historical society and is not excluded under subdivision 2b;

~~(16)~~ (18) employees of an economic development authority created under sections 458C.01 to 458C.23;

~~(17)~~ (19) employees of the department of military affairs of the state of Minnesota who are full-time firefighters; and

~~(20)~~ employees who became members before July 1, 1988, based on the total salary of positions held in more than one governmental subdivision.

Sec. 2. Minnesota Statutes 1988, section 353.01, subdivision 2b, is amended to read:

Subd. 2b. [EXCLUDED EMPLOYEES.] (a) The following persons are excluded from the meaning of "public employee":

(1) persons who are employed for professional services where the service is incidental to regular professional duties, determined on the basis that compensation for the service amounts to no more than 25 percent of the person's total annual gross earnings for all professional duties;

(2) election officers;

(3) independent contractors and their employees;

(4) patient and inmate help personnel who perform services in governmental subdivision charitable, penal, and or correctional institutions of a governmental subdivision;

(5) members of boards, commissions, bands, and others who serve the a governmental subdivision intermittently;

(6) employees whose employment is not expected to continue for a period longer than six consecutive months, unless it involves employment for a probationary period that is part of a permanent position. Immediately following the expiration of a six-month period of employment, if the employee continues in public service and earns more than \$425 from one governmental subdivision in any one calendar month, the department head shall report the employee for membership and require employee deductions be made on behalf of the employee in accordance with section 353.27, subdivision 4. Membership eligibility of an employee who holds concurrent temporary employment of six months or less and part-time positions in one governmental subdivision must be determined by the salary of each position. Membership eligibility of an employee who holds nontemporary positions in one governmental subdivision must be determined by the total salary of all positions;

(7) part-time employees who receive monthly compensation from a one governmental subdivision not exceeding \$425, and part-time employees and elected officials whose annual compensation from a one governmental subdivision is stipulated in advance, in writing, to be not more than \$5,100 per calendar year or per school year for school employees for employment expected to be of a full year's duration or more than the prorated portion of \$5,100 per employment period for employment expected to be of less than a full year's duration, except that members continue their membership until termination of public service; Membership eligibility of an employee who holds concurrent part-time positions under this clause must be determined by the total salary of all such positions in one governmental subdivision. If compensation from one governmental subdivision to an employee under this paragraph exceeds \$5,100 per calendar year or school year after being stipulated in advance not to

exceed that amount, the stipulation is no longer valid and contributions must be made on behalf of the employee in accordance with section 353.27, subdivision 12, from the month in which the employee's earnings first exceeded \$425;

(8) persons who first occupy an elected office after July 1, 1988, the compensation for which does not exceed \$425 per month;

(9) emergency employees who are employed by reason of work caused by fire, flood, storm, or similar disaster;

(10) employees who by virtue of their employment as an officer or employee of a in one governmental subdivision are required by law to be a member of and to contribute to any of the plans or funds administered by the state employees retirement system, the teachers retirement fund, the state patrol retirement fund, the Duluth teachers retirement fund association, the Minneapolis teachers retirement fund association, the St. Paul teachers retirement fund association, the Minneapolis employees retirement fund, the Minnesota state retirement system correctional officers retirement plan, or any police or firefighters relief association governed by section 69.77 that has not consolidated with the public employees police and fire fund and for which the employee has not elected coverage by the public employees police and fire fund benefit plan as provided in sections 353A.01 to 353A.10, other than as an act of the legislature has specifically enabled participation by employees of a designated governmental subdivision in a plan supplemental to the public employees retirement association; Minnesota state retirement system, the teachers retirement association, the Duluth teachers retirement fund association, the Minneapolis teachers retirement association, the St. Paul teachers retirement fund association, the Minneapolis employees retirement fund, or any police or firefighters relief association governed by section 69.77 that has not consolidated with the public employees police and fire fund, or any police or firefighters relief association that has consolidated with the public employees retirement association but whose members have not elected coverage by the public employees police and fire fund as provided in sections 353A.01 to 353A.10. This clause must not be construed to prevent a person from being a member of and contributing to the public employees retirement association and also belonging to and contributing to another public pension fund for other service occurring during the same period of time. A person who meets the definition of "public employee" in subdivision 2 by virtue of other service occurring during the same period of time shall become a member of the association unless contributions are made to another public retirement fund on the salary based on the other service or to the teachers retirement association by a teacher as defined in section 354.05, subdivision 2;

(11) police matrons who are employed in a police department of a

city who are transferred to the jurisdiction of a joint city and county detention and corrections authority;

(12) persons who are excluded from coverage under the federal old age, survivors, disability, and health insurance program for the performance of service as specified in United States Code, title 42, section 410(a) (8) (A), as amended through January 1, 1987;

(13) full-time students who are enrolled and are regularly attending classes at an accredited school, college, or university and who are not employed full time by a governmental subdivision;

(14) resident physicians, medical interns, and pharmacist residents and interns who are serving in a degree or residency program in public hospitals and students who are serving in an internship or residency program sponsored by an accredited educational institution;

(15) appointed or elected officers, who are paid entirely on a fee basis; and who were not members on June 30, 1971;

(16) persons holding who hold a part-time adult supplementary technical institute license who render part-time teaching service in a technical institute if the service is incidental to the person's regular nonteaching occupation, the applicable technical institute stipulates annually in advance that the part-time teaching service will not exceed 300 hours in a fiscal year, and the part-time teaching service actually does not exceed 300 hours in a fiscal year; and;

(17) persons exempt from licensure under section 125.031;

(18) except as provided in section 353.86, volunteer ambulance service personnel, as defined in subdivision 35, but persons who serve as volunteer ambulance service personnel may still qualify as public employees under subdivision 2 and may be members of the public employees retirement association and participants in the public employees retirement fund or the public employees police and fire fund on the basis of compensation received from public employment service other than service as volunteer ambulance service personnel; and

(19) except as provided in section 353.87, volunteer firefighters, as defined in subdivision 36, engaging in activities undertaken as part of volunteer firefighter duties; provided that a person who is a volunteer firefighter may still qualify as a public employee under subdivision 2 and may be a member of the public employees retirement association and a participant in the public employees retirement fund or the public employees police and fire fund on the basis of compensation received from public employment activities other than those as a volunteer firefighter.

(b) Immediately following the expiration of a six-month period of employment by an employee covered by paragraph (a), clause (6), if the employee continues in public service and earns more than \$425 from a governmental subdivision in any one calendar month, the department head shall report the employee for membership and cause employee contributions to be made on behalf of the employee in accordance with section 353.27, subdivision 4, and the employee remains a member until termination of public service. This paragraph may not be construed to exclude an employee from membership whose employment is expected to continue for more than six months but who is serving a probationary period.

(c) If compensation from a governmental subdivision to an employee covered by paragraph (a), clause (7), exceeds \$5,100 per calendar year or school year after being stipulated in advance, the stipulation is no longer valid and contributions must be made on behalf of the employee in accordance with section 353.27, subdivision 12, from the month in which the employee first exceeded \$425.

(d) Paragraph (a), clause (10), does not prevent a person from being a member of and contributing to the public employees retirement association and also belonging to or contributing to another public pension fund for other service occurring during the same period of time. A person who meets the definition of "public employee" in subdivision 2, by virtue of other service occurring during the same period of time shall become a member of the association unless contributions are made to another public retirement fund on the salary based on the other service or to the teachers retirement association in accordance with section 354.05, subdivision 2.

Sec. 3. Minnesota Statutes 1988, section 353.01, subdivision 10, is amended to read:

Subd. 10. [SALARY.] "Salary" means the periodical compensation of a public employee, before deductions for deferred compensation, supplemental retirement plans, or other voluntary salary reduction programs, and also means "wages" and includes net income from fees. Fees paid to district court reporters are not considered a salary. Lump sum annual or lump sum sick leave payments, severance payments, and all payments in lieu of any employer-paid group insurance coverage, including the difference between single and family rates that may be paid to a member with single coverage, are not deemed to be salary. Before the time that all sick leave has been used, amounts paid to an employee under a disability insurance policy or program where the employer paid the premiums are considered salary, and, after all sick leave has been used, the payment is not considered salary. Workers' compensation payments are not considered salary. Except as provided in sections 353.86 or 353.87, compensation of any kind paid to volunteer ambulance service personnel or volunteer firefighters, as defined in subdivi-

sions 35 and 36, is not considered salary. For a public employee who has prior service covered by a local police or firefighters relief association that has consolidated with the public employees police and fire fund and who has elected coverage by the public employees police and fire fund benefit plan as provided in section 353A.08 following the consolidation, "salary" means the rate of salary upon which member contributions to the special fund of the relief association were made prior to the effective date of the consolidation as specified by law and by bylaw provisions governing the relief association on the date of the initiation of the consolidation procedure and the actual periodical compensation of the public employee after the effective date of the consolidation.

Sec. 4. Minnesota Statutes 1988, section 353.01, is amended by adding a subdivision to read:

Subd. 11a. [TERMINATION OF PUBLIC SERVICE.] An officer or employee who terminates employment but within 30 days returns to employment in the same governmental subdivision or begins employment in another position otherwise excluded from membership is considered a member from the beginning of the reemployment unless the total period covered by all periods of employment is less than six months or the amount earned does not exceed the dollar limitations in subdivision 2b, clause (7).

Sec. 5. Minnesota Statutes 1988, section 353.01, is amended by adding a subdivision to read:

Subd. 35. [VOLUNTEER AMBULANCE SERVICE PERSONNEL.] "Volunteer ambulance service personnel," for purposes of this chapter, are basic and advanced life support emergency medical service personnel employed by or providing services for any public ambulance service or privately operated ambulance service that receives an operating subsidy from a governmental entity.

Sec. 6. Minnesota Statutes 1988, section 353.01, is amended by adding a subdivision to read:

Subd. 36. [VOLUNTEER FIREFIGHTER.] For purposes of this chapter, a person is considered a "volunteer firefighter" for all service for which the person receives credit in an association or fund operating under chapter 424A.

Sec. 7. Minnesota Statutes 1988, section 353.27, subdivision 12, is amended to read:

Subd. 12. [OMITTED SALARY DEDUCTIONS; OBLIGATIONS.] In the case of omission of required deductions from salary of an employee, past due for 60 days or less, the head of the department shall deduct from the employee's next salary payment and remit to

the executive director the amount of the employee contribution delinquency, with the department head shall immediately, upon discovery, report the employee for membership and require employee deductions be made in accordance with subdivision 4. Omitted employee deductions due for the 60-day period preceding enrollment must be deducted from the employee's next salary payment and remitted to the association. The employer shall pay any remaining omitted employee deductions past due and any omitted employer contributions, plus cumulative interest at the rate of six percent a year, compounded annually, from the date or dates each delinquent omitted employee contribution was first payable. The interest must be paid by the employer. Omitted required deductions past due for a period in excess of 60 days are the sole obligation of the governmental subdivision from the time the deductions were first payable, together with interest as specified in this subdivision. Any amount so due, together with employer and additional employer contributions at the rates and in the amounts specified in subdivisions 3 and 3a, with interest at the rate of six percent compounded annually from the date they were first payable, from the employer must be paid from the proceeds of a tax levy made under section 353.28 or from other funds available to the employer. Unless otherwise indicated, An employer shall not hold an employee liable for omitted employee deductions due for more than the 60-day period preceding enrollment nor attempt to recover from the employee those employee deductions paid by the employer. Neither an employer nor an employee is responsible to pay omitted employee deductions when an employee terminates public service before making payment of omitted employee deductions to the association, but the employer remains liable to pay omitted employer contributions plus interest at the rate of six percent compounded annually from the date the contributions were first payable. This subdivision has both retroactive and prospective application, and the governmental subdivision is liable retroactively and prospectively for all amounts due under it. No action for the recovery of omitted employee and employer contributions or interest on contributions may be commenced and no payment of omitted contributions may be made or accepted unless the association has already commenced action for recovery of omitted contributions, The association may not commence action for the recovery of omitted employee deductions and employer contributions after the expiration of three calendar years after the calendar year in which the contributions and deductions were omitted. No payment may be made or accepted unless the association has already commenced action for recovery of omitted deductions. An action for the recovery of omitted contributions or interest commences five calendar days after on the date of the mailing of any written correspondence from the association requesting information from the governmental unit that may lead to a recovery of omitted contributions subdivision upon which to determine whether or not omitted deductions occurred.

Sec. 8. Minnesota Statutes 1988, section 353.28, subdivision 5, is amended to read:

Subd. 5. Any amount which becomes due and payable pursuant to this section or section 353.27, subdivision 4, shall bear compound interest at the rate of six percent per year from the date due for the next five calendar days, and compound interest at the rate of ten percent per year for amounts past due in excess of five calendar days until the date payment is actually received in the office of the association, with a minimum charge of \$10. Interest for past due payments of excess police state aid under section 69.031, subdivision 5, must be charged at a rate of six percent compounded annually.

Sec. 9. Minnesota Statutes 1988, section 353.28, subdivision 6, is amended to read:

Subd. 6. If the governmental subdivision fails to pay amounts due under this chapter or fails to make payments of excess police state aid to the public employees police and fire fund under section 69.031, subdivision 5, the executive director shall certify those amounts to the governmental subdivision for payment. If the governmental subdivision fails to remit the sum so due in a timely fashion, the executive director shall certify amounts to the county auditor for collection. The county auditor shall collect such amounts out of the revenue of the governmental subdivision, or shall add them to the levy of the governmental subdivision and make payment directly to the association. This tax shall be levied, collected and apportioned in the manner other taxes are levied, collected and apportioned.

Sec. 10. Minnesota Statutes 1988, section 353.29, subdivision 4, is amended to read:

Subd. 4. [APPLICATION FOR ANNUITY.] Application for a retirement annuity may be made by a member or by a person authorized to act on behalf of the member. Every application for retirement shall be made in writing on a form prescribed by the executive director and shall be substantiated in writing by written proof of the member's age of the member and identity. No application for a retirement annuity may be considered complete until all necessary supporting documents are received by the executive director.

Sec. 11. Minnesota Statutes 1988, section 353.29, subdivision 7, is amended to read:

Subd. 7. [ANNUITIES; ACCRUAL.] Except as to elected public officials, all retirement annuities granted under the provisions of this chapter shall commence with the first day of the first calendar month next succeeding the date of termination of public service and shall be paid in equal monthly installments, but no payment shall accrue beyond the end of the month, in which entitlement to such annuity has terminated. If the annuitant dies prior to negotiating the check for the month in which death occurs, payment will be

made to the surviving spouse or if none to the designated beneficiary or if none to the estate. Any annuity granted to an elective public official shall accrue on the day following expiration of the public office held or right thereto, and the annuity for that month shall be prorated accordingly. No annuity, once granted, shall be increased, decreased, or revoked except as provided in this chapter. No annuity payment shall be made retroactive for more than three months prior to that month in which ~~application therefor shall be filed with the association~~ a complete application is received by the executive director as provided in subdivision 4.

Sec. 12. Minnesota Statutes 1988, section 353.33, subdivision 1, is amended to read:

Subdivision 1. [AGE, SERVICE, AND SALARY REQUIREMENTS.] Any member who becomes totally and permanently disabled before age 65 and after five years of allowable service shall be entitled to a disability benefit in an amount provided in subdivision 3. ~~If such the disabled person's public service has terminated at any time, at least three of the required five years of allowable service must have been rendered after last becoming a member. Any member whose average salary is less than \$75 per month shall not be entitled to a disability benefit. No repayment of a refund otherwise authorized pursuant to section 353.34 and A repayment of a refund may be made before the effective date of disability benefits under subdivision 2. No purchase of prior service or payment made in lieu of salary deductions otherwise authorized pursuant to section 353.01, subdivision 16, 353.017, subdivision 4, or 353.36, subdivision 2, may be made after the occurrence of the disability for which an application pursuant to this section is filed.~~

Sec. 13. Minnesota Statutes 1988, section 353.33, subdivision 2, is amended to read:

Subd. 2. [APPLICATIONS; ACCRUAL OF BENEFITS.] Every claim or demand for a total and permanent disability benefit shall must be initiated by written application in the manner and form prescribed by the executive director, ~~filed in the office of the retirement association,~~ showing compliance with the statutory conditions qualifying the applicant for a total and permanent disability benefit and ~~filed with the executive director.~~ A member or former member who became totally and permanently disabled during a period of membership may file application for total and permanent disability benefits within three years next following termination of public service, but not thereafter. This benefit shall begin to accrue the day following the commencement of disability, 90 days preceding the filing of the application, or, if annual or sick leave is paid for more than the said 90 day period, from the date salary ceased whichever is later. No payment shall accrue beyond the end of the month in which entitlement has terminated. If the disabilitant dies prior to negotiating the check for the month in which death

occurs, payment will be made to the surviving spouse, or if none, to the designated beneficiary, or if none, to the estate. An applicant for total and permanent disability benefits may file a retirement annuity application under section 353.29, subdivision 4, simultaneously with an application for total and permanent disability benefits. The retirement annuity application is void upon the determination of the entitlement for disability benefits by the executive director. If disability benefits are denied, the retirement annuity application must be initiated and processed.

Sec. 14. Minnesota Statutes 1988, section 353.33, subdivision 5, is amended to read:

Subd. 5. [BENEFITS PAID UNDER WORKERS' COMPENSATION LAW.] Disability benefits paid shall be reimbursed and future benefits shall be reduced by coordinated with any amounts received or receivable, including under workers' compensation law, such as temporary total, permanent total, temporary partial or permanent partial, or economic recovery compensation benefits, in either periodic or lump sum payments from the employer under applicable workers' compensation laws, after deduction of amount of attorney fees, authorized under applicable workers' compensation laws, paid by a disabilitant. If the total of the single life annuity actuarial equivalent disability benefit and the workers' compensation benefit exceeds: (1) the salary the disabled member received as of the date of the disability or (2) the salary currently payable for the same employment position or an employment position substantially similar to the one the person held as of the date of the disability, whichever is greater, the disability benefit must be reduced to that amount which, when added to the workers' compensation benefits, does not exceed the greater of the salaries described in clauses (1) and (2).

Sec. 15. Minnesota Statutes 1988, section 353.33, subdivision 6, is amended to read:

Subd. 6. [CONTINUING ELIGIBILITY FOR BENEFITS.] The eligibility for continuation of disability benefits shall be determined by the association, which has authority to require periodic examinations and evaluations of disabled members as frequently as deemed necessary. Disability benefits are contingent upon a disabled person's participation in a vocational rehabilitation program if the executive director determines that the disabled person may be able to return to a gainful occupation. If a member is found to be no longer totally and permanently disabled and is reinstated to the payroll, payments shall be made for no more than 60 days.

Sec. 16. Minnesota Statutes 1988, section 353.33, subdivision 7, is amended to read:

Subd. 7. [PARTIAL REEMPLOYMENT.] If, following a work or

nonwork-related injury or illness, a disabled person resumes a gainful occupation from which earnings are less than the salary at the date of disability or the salary currently paid for similar positions, the board shall continue the disability benefit in an amount that, when added to the earnings and workers' compensation benefit, does not exceed the salary at the date of disability or the salary currently paid for similar positions, whichever is higher, provided the disability benefit does not exceed the disability benefit originally allowed, plus any postretirement adjustments payable after December 31, 1988, in accordance with section 11A.18, subdivision 10. No deductions for the retirement fund may be taken from the salary of a disabled person who is receiving a disability benefit as provided in this subdivision.

Sec. 17. Minnesota Statutes 1988, section 353.34, subdivision 1, is amended to read:

Subdivision 1. [REFUND OR DEFERRED ANNUITY.] Any member who ceases to be a public employee by reason of termination of public service, or who is on a continuous layoff for more than 120 calendar days, shall be entitled to a refund of accumulated deductions as provided in subdivision 2, or to a deferred annuity as provided in subdivision 3. An active member of a fund enumerated in section 356.30, subdivision 3, clause (7), (8), or (14), who terminates public service in any of those funds and becomes a member of another fund enumerated in those clauses may receive a refund of employee contributions plus five percent interest compounded annually from the fund in which the member terminated service. Application for a refund may not be made prior to date of termination of public service, or the expiration of 120 days of layoff, and a refund shall be paid within 120 days following receipt of application, provided applicant has not again become a public employee required to be covered by the association.

Sec. 18. Minnesota Statutes 1988, section 353.35, is amended to read:

353.35 [CONSEQUENCES OF REFUND; REPAYMENT, RIGHTS RESTORED.]

When any former member accepts a refund, all existing service credits and all rights and benefits to which the person was entitled prior to the acceptance of such the refund shall terminate and shall not again be restored until the person acquires not less than 18 months allowable service credit subsequent to after taking the last refund and repays all refunds taken and interest received under section 353.34, subdivisions 1 and 2, plus interest at six percent per annum compounded annually. If more than one refund has been taken, all refunds must be repaid by the person may repay all refunds or only the refund for the fund in which the person had most recently been a member, with interest at six percent per annum

compounded annually. All refunds must be repaid within three months of the last date of termination of public service.

Sec. 19. Minnesota Statutes 1988, section 353.64, subdivision 1, is amended to read:

Subdivision 1. [POLICE AND FIRE FUND MEMBERSHIP.] Any person who prior to July 1, 1961, was a member of the police and fire fund, by virtue of being a police officer or firefighter, shall as long as the person remains in either position, be deemed to continue membership in the fund. Any person who was employed by a governmental subdivision as a police officer and was a member of the police and fire fund on July 1, 1978, by virtue of being a police officer as defined by this section on that date shall be entitled, if employed by the same governmental subdivision in a position in the same department in which the person was employed on that date, to continue membership in the fund whether or not that person has the power of arrest by warrant after that date. Any person who was employed by a governmental subdivision as a police officer or a firefighter, whichever applies, was an active member of the local police or salaried firefighters relief association located in that governmental subdivision by virtue of that employment as of the effective date of the consolidation as authorized by sections 353A.01 to 353A.10, and has elected coverage by the public employees police and fire fund benefit plan, shall be considered to be a member of the police and fire fund after that date if employed by the same governmental subdivision in a position in the same department in which the person was employed on that date. Any other employee serving on a full-time basis as a police officer or firefighter on or after July 1, 1961, shall become a member of the public employees police and fire fund. Any employee serving on less than a full-time basis as a police officer shall become a member of the public employees police and fire fund only after a resolution stating that the employee should be covered by the police and fire fund is adopted by the governing body of the governmental subdivision employing the person declaring that the position which the person holds is that of a police officer. Any employee serving on less than a full-time basis as a firefighter, other than a volunteer firefighter, shall become a member of the public employees police and fire fund only after a resolution stating that the employee should be covered by the police and fire fund is adopted by the governing body of the governmental subdivision employing the person declaring that the position which the person holds is that of a firefighter. Any police officer or firefighter, other than a volunteer firefighter, employed by a governmental subdivision who by virtue of that employment is required by law to be a member of and to contribute to any police or firefighter relief association governed by section 69.77 which has not consolidated with the public employees police and fire fund and any police officer or firefighter of a relief association that has consolidated with the association for which the employee has not elected coverage by the public employees police and fire fund benefit plan as

provided in sections 353A.01 to 353A.10 other than a volunteer firefighters relief association to which sections 69.771 to 69.776 apply shall not be a member of this fund.

Sec. 20. Minnesota Statutes 1988, section 353.64, subdivision 2, is amended to read:

Subd. 2. Before a governing body may declare a position to be that of a police officer, the duties of the person so employed shall must, as a minimum, include services employment as an officer of a designated police department or sheriff's office or person in charge of a designated police department or sheriff's office whose primary job it is to enforce the law, who is licensed by the Minnesota board of peace officer standards and training under sections 626.84 to 626.855, who is engaged in the hazards of protecting the safety and property of others, and who has the power to arrest by warrant. A police officer who is periodically assigned to employment duties not within the scope of this subdivision may contribute to the public employees police and fire fund for all service, if a resolution declaring that the primary position held by the person is that of a police officer, is adopted by the governing body of the department, and is promptly submitted to the executive director.

Sec. 21. Minnesota Statutes 1988, section 353.64, subdivision 3, is amended to read:

Subd. 3. Before a governing body may declare a position to be that of a firefighter, the duties of the person so employed shall must, as a minimum, include services as an employee of a designated fire company or person in charge of a designated fire company or companies who is engaged in the hazards of fire fighting. A firefighter who is periodically assigned to employment duties outside the scope of firefighting may contribute to the public employees police and fire fund for all service, if a resolution declaring that the primary position held by the person is that of a firefighter, is adopted by the governing body of the company or companies, and is promptly submitted to the executive director.

Sec. 22. Minnesota Statutes 1988, section 353.656, subdivision 4, is amended to read:

Subd. 4. No member shall receive any disability benefit payment when there remains to the member's credit unused annual leave or sick leave or under any other circumstances, when, during the period of disability, there has been no impairment of salary and. Should such the member resume a gainful occupation with earnings less than the salary earned at the date of disability or the salary currently paid for similar positions, the association shall continue the disability benefit in an amount which when added to such workers' compensation benefits and actual earnings does not exceed the salary earned at the date of disability or the salary currently

paid for similar positions, whichever is higher, provided. In no event may the disability benefit in such case does not exceed the disability benefit originally allowed. In the event that the total amount is higher, the executive director shall reduce the disability benefit by the amount of the excess.

Sec. 23. [353.86] [VOLUNTEER AMBULANCE SERVICE PERSONNEL; PARTICIPATION; ELECTION; LIMITATION; AND COMPENSATION.]

Subdivision 1. [PARTICIPATION.] Volunteer ambulance service personnel, as defined in section 353.01, subdivision 35, who are or become members of and participants in the public employees retirement fund or the public employees police and fire fund and make contributions to either of those funds based on compensation for service other than volunteer ambulance service may elect to participate in that same fund with respect to compensation received for volunteer ambulance service, provided that the volunteer ambulance service is not credited to another public or private pension plan including the public employees retirement plan established by chapter 353D and provided further that the volunteer ambulance service is rendered for the same governmental unit for which the nonvolunteer ambulance service is rendered.

Subd. 2. [ELECTION.] Volunteer ambulance service personnel to whom subdivision 1 applies may exercise the election authorized under subdivision 1 within the earlier of the one-year period beginning on July 1, 1989, and extending through June 30, 1990, or the one-year period commencing on the first day of the first month following the start of employment in a position covered by the public employees retirement fund or the public employees police and fire fund. The election must be exercised by filing a written notice on a form prescribed by the executive director of the association.

Subd. 3. [LIMITATION.] Volunteer ambulance service personnel to whom subdivision 1 applies who exercise their option in accordance with subdivision 2 and their governmental employers are not required to pay omitted deductions and contributions under section 353.27, subdivision 12, for volunteer ambulance service rendered before July 1, 1989.

Subd. 4. [COMPENSATION.] Notwithstanding section 353.01, subdivision 10, compensation received for service rendered by volunteer ambulance service personnel to whom subdivision 1 applies who exercise their option in accordance with subdivision 2 shall be considered salary.

Sec. 24. [353.87] [VOLUNTEER FIREFIGHTERS; PARTICIPATION; LIMITATION; AND REFUND.]

Subdivision 1. [PARTICIPATION.] Except as provided in subdivi-

sion 2, a volunteer firefighter, as defined in section 353.01, subdivision 36, who, on June 30, 1989, was a member of, and a participant in, the public employees retirement fund or the public employees police and fire fund and was making contributions to either of those funds based, at least in part, on compensation for services performed as a volunteer firefighter shall continue as a member of, and a participant in, the public employees retirement fund or the public employees police and fire fund and compensation for services performed as a volunteer firefighter shall be considered salary.

Subd. 2. [OPTION.] A volunteer firefighter to whom subdivision 1 applies has the option to terminate membership and future participation in the public employees retirement fund or the public employees police and fire fund upon filing of a written notice of intention to terminate participation. Notice must be given on a form prescribed by the executive director of the association and must be filed in the offices of the association not later than June 30, 1990.

Subd. 3. [LIMITATION.] No volunteer firefighter to whom subdivision 1 applies or the governmental employer of the volunteer firefighter is required to make back contributions to the public employees retirement association for volunteer firefighter services rendered before July 1, 1989, notwithstanding the provisions of section 353.27, subdivision 12.

Subd. 4. [REFUND.] Upon timely filing of a valid notice of termination of participation in accordance with subdivision 2, a volunteer firefighter to whom subdivision 1 applies must be given a refund of all past employee contributions made on account of volunteer firefighter service with five percent interest compounded annually.

Subd. 5. [FURTHER OPTION.] A volunteer firefighter, as defined in section 353.01, subdivision 36, who is or becomes a member of, and a participant in, the public employees retirement fund or the public employees police and fire fund and makes contributions to either of those funds based on compensation for services other than services as a volunteer firefighter shall have the option of making contributions to the same fund for service performed as a volunteer firefighter with compensation received for those volunteer firefighter services considered salary, provided that the volunteer firefighter is not a participant in, or covered under, a local volunteer firefighter plan and notwithstanding the fact that the volunteer firefighter service is performed for one governmental unit and the nonvolunteer firefighter service is performed for another governmental unit.

Sec. 25. Laws 1985, chapter 11, section 12, subdivision 3, is amended to read:

Subdivision 3. [ELECTION PROCEDURES.] The board shall

accept filings for one elected position on the board in November 1985 and shall conduct an election for that position in January 1986. The board shall accept filings for two elected positions on the board in November 1986 and shall conduct an election for those positions in January 1987. Notwithstanding the four-year term of office specified in Minnesota Statutes, section 353.03, subdivision 1, the term of office for the January 1986 elected position extends through January 1991, so that all three elected positions are four-year terms which begin and end at the same time. Thereafter, the board shall follow the election procedures described in Minnesota Statutes, section 353.03, subdivision 1, as necessary to fill the positions of elected trustees.

Sec. 26. [REPEALER.]

Minnesota Statutes 1988, sections 353.01, subdivision 2c; 353.661; and 353.662, are repealed.

Sec. 27. [EFFECTIVE DATE.]

(a) Sections 1 to 26 are effective July 1, 1989.

(b) The past due excess police state aid interest charge provided for in section 8 is retroactive to July 1, 1989.

ARTICLE 4

PURCHASE OF PRIOR SERVICE CREDIT

Section 1. [PURCHASE OF CREDIT FOR CERTAIN PRIOR SERVICE.]

Subdivision 1. [HIGHLAND GOLF COURSE EMPLOYEE.] A person who was born on October 1, 1925, who was a member of the public employees retirement association as of December 1, 1988, who is a seasonal employee of the city of St. Paul at the Highland golf course, and who was employed in that capacity between June 25, 1979, and July 31, 1984, is entitled to purchase allowable service credit from the public employees retirement association for that period of service if not otherwise credited as allowable service by the public employees retirement association.

Subd. 2. [RAMSEY COUNTY COURT COMMISSIONER.] A member of the public employees retirement association with prior service as an elected court commissioner in Ramsey county between January 1, 1963, and December 31, 1974, may purchase allowable service credit in the association for that period of service.

Subd. 3. [HENNEPIN COUNTY EMPLOYEE.] Notwithstanding the limitations in Minnesota Statutes, section 353.36, subdivision 2,

a person whose employment with Hennepin county began in July 1973, but for whom no salary deductions were taken out for the public employees retirement association between October 1973 and July 1976, may purchase credit for the prior public service for which salary deductions were omitted.

Subd. 4. [DAKOTA COUNTY RECORDER.] A member of the public employees retirement association with prior service as an elected county recorder in Dakota county between January 1, 1983, and December 31, 1987, may purchase allowable service credit in the association for that period of service.

Subd. 5. [BLOOMINGTON CITY EMPLOYEE.] A person who was born on May 11, 1927, whose employment by the city of Bloomington began in March 1960 and continued during the years 1960 and 1961, and for whom no salary deductions were taken for the public employees retirement association may purchase credit for that service from the public employees retirement association.

Subd. 6. [PURCHASE OF PRIOR SERVICE CREDIT FOR CERTAIN MINNEAPOLIS EMPLOYEES.] Notwithstanding any law to the contrary, a person who was born on March 3, 1949, who was employed by the city of Minneapolis as an urban corps intern in August, 1976, who was employed in the unclassified service of the city of Minneapolis as an assistant to an alderman with substantially the same duties as performed during the internship on August 25, 1978, and who is currently employed in that position and is a member of the Minneapolis employees retirement fund may purchase credit in that retirement fund for service during that internship. Eligibility to make the purchase of prior service credit expires on June 30, 1989.

Subd. 6a. [WHITE BEAR TOWNSHIP] A person who is a town board supervisor of White Bear township and who is or becomes a member of the public employees retirement association on or after the effective date of this act may purchase credit from the association for all prior service as a town board supervisor.

Subd. 7. [CITY OF CRYSTAL COUNCIL MEMBER.] A person who was born on April 20, 1928, who was a member of the public employees retirement association with prior service as an elected official on the city of Crystal's planning commission and city council, may purchase credit for the prior service for which salary deductions were omitted.

Subd. 8. [CITY OF SPRING LAKE PARK COUNCIL MEMBER.] A person who was born on April 5, 1934, or April 4, 1932, may purchase credit for prior service from the public employees retirement association for the period when the person served on the city council of the city of Spring Lake Park during which no salary deductions were taken.

Subd. 9. [PURCHASE PAYMENT AMOUNT.] For a person eligible to purchase credit for prior service under subdivisions 1 to 8, there must be paid to the applicable fund an amount equal to the present value, on the date of payment, of the amount of the additional retirement annuity that would be obtained by virtue of the purchase of the additional service credit, using the preretirement interest rate specified in Minnesota Statutes, section 356.215, subdivision 4d, and the mortality table adopted for the fund and assuming continuous future service in the fund or association until, and retirement at, the age at which the minimum requirements of the retirement association for normal retirement or retirement with an annuity unreduced for retirement at an early age, including Minnesota Statutes, section 356.30, are met with the additional service credit purchased, and also assuming a future salary history that includes annual salary increases at the salary increase rate specified in Minnesota Statutes, section 356.215, subdivision 4d. The person requesting the purchase of prior service shall establish in the records of the fund or association proof of the service for which the purchase of prior service is requested. The manner of the proof of service must be in accordance with procedures prescribed by the executive director of the fund or association.

Subd. 10. [PAYMENT; CREDITING SERVICE.] Payment must be made in one lump sum, unless the executive director of the fund or association agrees to accept payment in installments over a period not to exceed three years from the date of the agreement, with interest at a rate deemed appropriate by the executive director. The period of allowable service may be credited to the account of the person only after receipt of full payment by the executive director.

Subd. 11. [OPTIONAL EMPLOYER PARTIAL PAYMENT.] Payment must be made by the person entitled to purchase prior service. However, the current or former employer of a person specified in subdivisions 1 to 8, may, at its discretion, pay all or any portion of the payment amount that exceeds an amount equal to the employee contribution rates in effect during the period or periods of prior service applied to the actual salary rates in effect during the period or periods of prior service, plus interest at the rate of six percent a year compounded annually from the date on which the contributions would otherwise have been made to the date on which the payment is made.

Sec. 2. Laws 1988, chapter 709, article 3, section 1, subdivision 4, is amended to read:

Subd. 4. [OPTIONAL EMPLOYER PARTIAL PAYMENT.] Payment must be made by the person entitled to purchase prior service. However, the current or former employer of a person specified in subdivision 1, clause (1), (2), (4), (5), (6), or (7) may, at its discretion, and the metropolitan sports facilities commission for a person specified in subdivision 1, clause (3), shall pay all or any portion of

the payment amount that exceeds an amount equal to the employee contribution rates in effect for the retirement fund during the period or periods of prior service applied to the actual salary rates in effect during the period or periods of prior service, plus interest at the rate of six percent a year compounded annually from the date on which the contributions would otherwise have been made to the date on which the payment is made.

Sec. 3. [PURCHASE AMOUNT.]

Notwithstanding Laws 1988, chapter 709, article 3, section 1, subdivision 2, the amounts required to purchase credit for prior service under Laws 1988, chapter 709, article 3, section 1, subdivision 1, clause (3), must be calculated assuming the affected employees will retire at age 65. Notwithstanding any contrary provision in Minnesota Statutes, section 352.116, if an employee who purchases service under Laws 1988, chapter 709, article 3, section 1, subdivision 1, clause (3) retires before age 65, the annuity must be reduced so that the reduced annuity is the actuarial equivalent of the annuity that would be payable if the employee deferred receipt from the day the annuity begins to accrue to age 65.

Sec. 4. [EFFECTIVE DATE.]

Sections 1 to 3 are effective the day following final enactment. Section 2 applies retroactively to May 4, 1988.

ARTICLE 5

OTHER RETIREMENT ISSUES

Section 1. Minnesota Statutes 1988, section 353.01, subdivision 2b, is amended to read:

Subd. 2b. [EXCLUDED EMPLOYEES.] (a) The following persons are excluded from the meaning of "public employee":

(1) persons employed for professional services where the service is incidental to regular professional duties, determined on the basis that compensation for the service amounts to no more than 25 percent of the person's total annual gross earnings for all professional duties;

(2) election officers;

(3) independent contractors and their employees;

(4) patient and inmate help in governmental subdivision charitable, penal, and correctional institutions;

(5) members of boards, commissions, bands, and others who serve the governmental subdivision intermittently;

(6) employees whose employment is not expected to continue for a period longer than six consecutive months;

(7) part-time employees who receive monthly compensation from a governmental subdivision not exceeding \$425, and part-time employees and elected officials whose annual compensation from a governmental subdivision is stipulated in advance, in writing, to be not more than \$5,100 per calendar year or per school year for school employees for employment expected to be of a full year's duration or more than the prorated portion of \$5,100 per employment period for employment expected to be of less than a full year's duration, except that members continue their membership until termination of public service;

(8) persons who first occupy an elected office after July 1, 1988, the compensation for which does not exceed \$425 per month;

(9) emergency employees who are employed by reason of work caused by fire, flood, storm, or similar disaster;

(10) employees who by virtue of their employment as an officer or employee of a governmental subdivision are required by law to be a member of and to contribute to any of the plans or funds administered by the state employees retirement system, the teachers retirement fund, the state patrol retirement fund, the Duluth teachers retirement fund association, the Minneapolis teachers retirement fund association, the St. Paul teachers retirement fund association, the Minneapolis employees retirement fund, the Minnesota state retirement system correctional officers retirement plan, or any police or firefighters relief association governed by section 69.77 that has not consolidated with the public employees police and fire fund and for which the employee has not elected coverage by the public employees police and fire fund benefit plan as provided in sections 353A.01 to 353A.10, other than as an act of the legislature has specifically enabled participation by employees of a designated governmental subdivision in a plan supplemental to the public employees retirement association;

(11) police matrons employed in a police department of a city who are transferred to the jurisdiction of a joint city and county detention and corrections authority;

(12) persons who are excluded from coverage under the federal old age, survivors, disability, and health insurance program for the performance of service as specified in United States Code, title 42, section 410(a) (8) (A), as amended through January 1, 1987;

(13) full-time students who are enrolled and are regularly attending classes at an accredited school, college, or university and who are not employed full time by a governmental subdivision;

(14) resident physicians, medical interns, and pharmacist interns who are serving in public hospitals;

(15) appointed or elected officers, paid entirely on a fee basis, who were not members on June 30, 1971;

(16) persons holding a part-time adult supplementary technical institute license who render part-time teaching service in a technical institute if the service is incidental to the person's regular nonteaching occupation, the applicable technical institute stipulates annually in advance that the part-time teaching service will not exceed 300 hours in a fiscal year, and the part-time teaching service actually does not exceed 300 hours in a fiscal year; ~~and~~

(17) persons exempt from licensure under section 125.031; and

(18) persons employed by the Minneapolis community development agency.

(b) Immediately following the expiration of a six-month period of employment by an employee covered by paragraph (a), clause (6), if the employee continues in public service and earns more than \$425 from a governmental subdivision in any one calendar month, the department head shall report the employee for membership and cause employee contributions to be made on behalf of the employee in accordance with section 353.27, subdivision 4, and the employee remains a member until termination of public service. This paragraph may not be construed to exclude an employee from membership whose employment is expected to continue for more than six months but who is serving a probationary period.

(c) If compensation from a governmental subdivision to an employee covered by paragraph (a), clause (7), exceeds \$5,100 per calendar year or school year after being stipulated in advance, the stipulation is no longer valid and contributions must be made on behalf of the employee in accordance with section 353.27, subdivision 12, from the month in which the employee first exceeded \$425.

(d) Paragraph (a), clause (10), does not prevent a person from being a member of and contributing to the public employees retirement association and also belonging to or contributing to another public pension fund for other service occurring during the same period of time. A person who meets the definition of "public employee" in subdivision 2, by virtue of other service occurring during the same period of time shall become a member of the association unless contributions are made to another public retire-

ment fund on the salary based on the other service or to the teachers retirement association in accordance with section 354.05, subdivision 2.

Sec. 2. Minnesota Statutes 1988, section 355.90, subdivision 3, is amended to read:

Subd. 3. [REFERENDUM.] A referendum on the question of extending the provisions of United States Code, title 42, sections 426, 426-1, and 1395c, must be held for each public employee pension plan listed in section 356.30, subdivision 3, except clauses (5) and (6), that has current members or participants who do not have coverage by the federal old age, survivors, and disability insurance program for the employment giving rise to that pension plan membership. The state agency shall supervise the referendum in accordance with United States Code, title 42, section 418, on the date or dates set by the governor for each pension plan. The notice of the referendum provided to each employee must contain a statement sufficient to inform the person of the rights available to the person as an employee in Medicare qualified government employment and the employee contribution rates applicable to the program. The referendum is approved if a majority of the members or participants indicate their desire to have the coverage on a form prescribed by the state agency. If the referendum is approved, The referendum must permit each employee the opportunity to select or reject Medicare coverage. The governor shall certify that fact to the Secretary of Health and Human Services; and the that the conditions specified in United States Code, title 42, section 418(d)(7) have been met. Coverage is effective for all members or participants of the plan who select it on the first of the month after the certification unless the participant or member elects coverage effective retroactively to April 1, 1986.

Sec. 3. Minnesota Statutes 1988, section 355.90, subdivision 4, is amended to read:

Subd. 4. [EMPLOYEE AND EMPLOYER CONTRIBUTIONS.] (a) If the referendum is approved, Beginning on the first of the month after the certification of approval by the governor, the employer of each member or participant covered by selecting coverage under the referendum shall deduct from the wages of the employee an amount equal to the tax that would be imposed under United States Code, title 26, section 3101(b), if the services of the employee for which wages were paid constituted employment as defined in United States Code, title 26, section 3121.

(b) In addition to the deduction specified in paragraph (a), the employer of each member or participant covered by the referendum shall also pay an amount equal to the tax that would be imposed under United States Code, title 26, section 3111(b), on the same wage base specified in paragraph (a).

(c) The amounts under paragraphs (a) and (b) shall be paid by the employer to the Secretary of the Treasury in the manner required by the secretary.

Sec. 4. Minnesota Statutes 1988, section 356.30, subdivision 3, is amended to read:

Subd. 3. [COVERED FUNDS.] The provisions of This section shall apply applies to the following retirement funds:

(1) state employees retirement fund established pursuant to chapter 352;

(2) correctional employees retirement program, established pursuant to chapter 352;

(3) unclassified employees retirement plan, established pursuant to chapter 352D;

(4) state patrol retirement fund, established pursuant to chapter 352B;

(5) legislators' retirement plan, established pursuant to chapter 3A;

(6) elective state officers' retirement plan, established pursuant to chapter 352C;

(7) public employees retirement association, established pursuant to chapter 353;

(8) public employees police and fire fund, established pursuant to chapter 353;

(9) teachers retirement fund, established pursuant to chapter 354;

(10) Minneapolis employees retirement fund, established pursuant to chapter 422A;

(11) Minneapolis teachers retirement fund association, established pursuant to chapter 354A;

(12) St. Paul teachers retirement fund association, established pursuant to chapter 354A;

(13) Duluth teachers retirement fund association, established pursuant to chapter 354A;

(14) public employees local government correctional service retirement plan established by sections 353C.01 to 353C.10; and

(15) judges' retirement fund, established by sections 490.121 to 490.132.

Sec. 5. Minnesota Statutes 1988, section 356.302, subdivision 7, is amended to read:

Subd. 7. [COVERED RETIREMENT PLANS.] This section applies to the following retirement plans:

- (1) state employees retirement fund, established by chapter 352;
- (2) unclassified employees retirement plan, established by chapter 352D;
- (3) public employees retirement association, established by chapter 353;
- (4) teachers retirement fund, established by chapter 354;
- (5) Duluth teachers retirement fund association, established by chapter 354A;
- (6) Minneapolis teachers retirement fund association, established by chapter 354A;
- (7) St. Paul teachers retirement fund association, established by chapter 354A;
- (8) Minneapolis employees retirement fund, established by chapter 422A;
- (9) correctional employees retirement plan, established by chapter 352;
- (10) state patrol retirement fund, established by chapter 352B; and
- (11) public employees police and fire fund, established by chapter 353; and
- (12) judges' retirement fund, established by sections 490.121 to 490.132.

Sec. 6. Minnesota Statutes 1988, section 356.303, subdivision 4, is amended to read:

Subd. 4. [COVERED RETIREMENT PLANS.] This section applies to the following retirement plans:

- (1) legislators retirement plan, established by chapter 3A;
- (2) state employees retirement fund, established by chapter 352;
- (3) correctional employees retirement plan, established by chapter 352;
- (4) state patrol retirement fund, established by chapter 352B;
- (5) elective state officers retirement plan, established by chapter 352C;
- (6) unclassified employees retirement plan, established by chapter 352D;
- (7) public employees retirement association, established by chapter 353;
- (8) public employees police and fire fund, established by chapter 353;
- (9) teachers retirement fund, established by chapter 354;
- (10) Duluth teachers retirement fund association, established by chapter 354A;
- (11) Minneapolis teachers retirement fund association, established by chapter 354A;
- (12) St. Paul teachers retirement fund association, established by chapter 354A; and
- (13) Minneapolis employees retirement fund, established by chapter 422A; and
- (14) judges' retirement fund, established by sections 490.121 to 490.132.

Sec. 7. Minnesota Statutes 1988, section 490.124, subdivision 12, is amended to read:

Subd. 12. [REFUND.] (a) Any person who ceases to be a judge but who does not qualify for a retirement annuity or other benefit under section 490.121 shall be entitled to a refund in an amount equal to all the person's contributions to the judges' retirement fund plus interest computed to the first day of the month in which the refund

is processed based on fiscal year balances at the rate of five percent per annum compounded annually.

(b) A refund of contributions under paragraph (a) terminates all service credits and all rights and benefits of the judge and the judge's survivors. A person who becomes a judge again after taking a refund under paragraph (a) may reinstate previously terminated service credits, rights, and benefits by repaying all refunds. A repayment must include interest at six percent per annum, compounded annually.

Sec. 8. Laws 1980, chapter 595, section 2, subdivision 4, is amended to read:

Subd. 4. All employees of the agency shall be considered employees of the housing and redevelopment authority and not the city of Minneapolis for the purposes of exclusion from membership in the public employee retirement association. An employee of the agency or the Minneapolis housing and redevelopment authority who is transferred to employment of the department or agency or the Minneapolis industrial development commission or the city of Minneapolis shall elect one of the following options with respect to retirement programs within six months after the date of transfer:

(a) The employee may continue as a member of the retirement program established by the Minneapolis housing and redevelopment authority and in effect on the date of transfer, and the agency or department or the city of Minneapolis shall make the necessary employer contributions to the program instead of becoming a member of the public employees retirement association.

(b) The employee may become a member of the public employees retirement association.

An employee of the city of Minneapolis who is transferred to employment of the agency or the Minneapolis housing and redevelopment authority shall remain a member of the retirement fund to which the employee belonged prior to the transfer, during the employment. An employee of the city of Minneapolis who is a member of the Minneapolis municipal employees retirement fund who is transferred to employment of the agency shall remain a member of the fund during the employment.

Sec. 9. [REFUND OF EXCESS EMPLOYEE CONTRIBUTIONS.]

A former employee of the bureau of health of the city of Saint Paul who, under Laws 1973, chapter 767, section 4, elected to retire with benefits calculated in accordance with Minnesota Statutes, chapter 425, as modified by Laws 1969, chapter 1102, may, upon application to the executive director of the public employees retirement associ-

ation or a form prescribed by the executive director, receive a refund of excess employee contributions to the bureau of health pension fund. The amount to be refunded is the difference between the amount actually deducted from the employee's monthly pay from the effective date of Laws 1969, chapter 1102, to the effective date of Laws 1973, chapter 767, and an amount equal to six percent of the monthly salary of a health sanitarian in the employment of the city of Saint Paul on January 1, 1969, plus interest at the rate of six percent a year compounded annually. The refund is payable from the public employees retirement fund.

Sec. 10. [PAYMENT OF REFUNDS BY ASSOCIATION.]

The executive director of the public employees retirement association shall notify each former employee of the bureau of health of the city of Saint Paul covered by section 1 who is receiving a retirement annuity from the public employees retirement association of the person's right to apply for a refund of excess contributions under that section. Application must be made within 60 days following notice, or eligibility for the refund expires. Upon receipt of an application for a refund from a person, the executive director of the association shall pay to the person a refund calculated in accordance with section 1.

Sec. 11. [EFFECTIVE DATE.]

Sections 1 and 8 are effective upon approval by the city council of the city of Minneapolis and upon compliance with Minnesota Statutes, section 645.021, subdivision 3, and apply retroactively to July 13, 1980. Sections 2 to 7 are effective the day following final enactment. Sections 4, 5, and 6 apply retroactively to August 1, 1987. Sections 9 and 10 are effective July 1, 1989.

ARTICLE 6

PUBLIC EMPLOYEES INSURANCE

Section 1. Minnesota Statutes 1988, section 43A.316, subdivision 9, is amended to read:

Subd. 9. [INSURANCE TRUST FUND.] An insurance trust fund is established in the state treasury. The deposits consist of the premiums received from employers participating in the plan and transfers from the public employees insurance reserve holding account established by section 353.65, subdivision 7. All money in the fund is appropriated to the commissioner to pay insurance premiums, approved claims, refunds, administrative costs, and other related service costs. The commissioner shall reserve an amount of money to cover the estimated costs of claims incurred but unpaid. The state board of investment shall invest the money according to

section 11A.24. Investment income and losses attributable to the fund shall be credited to the fund.

Sec. 2. Minnesota Statutes 1988, section 69.031, subdivision 5, is amended to read:

Subd. 5. [DEPOSIT OF STATE AID.] (1) The municipal treasurer, on receiving the fire state aid, shall within 30 days after receipt transmit it to the treasurer of the duly incorporated firefighters' relief association if there is one organized and the association has filed a financial report with the municipality; but if there is no relief association organized, or if any association dissolve, be removed, or has heretofore dissolved, or has been removed as trustees of state aid, then the treasurer of the municipality shall keep the money in the municipal treasury as provided for in section 424A.08 and shall be disbursed only for the purposes and in the manner set forth in that section.

(2) The municipal treasurer, upon receipt of the police state aid, shall disburse the police state aid in the following manner:

(a) For a municipality in which a local police relief association exists and all peace officers are members of the association, the total state aid shall be transmitted to the treasurer of the relief association within 30 days of the date of receipt, and the treasurer of the relief association shall immediately deposit the total state aid in the special fund of the relief association;

(b) For a municipality in which police retirement coverage is provided by the public employees police and fire fund and all peace officers are members of the fund, the total state aid shall be applied toward the municipality's employer contribution to the public employees police and fire fund pursuant to section 353.65, subdivision 3, and any state aid in excess of the amount required to meet the employer's contribution pursuant to section 353.65, subdivision 3, shall also be contributed to the public employees police and fire fund and credited in the manner to be specified by the board of trustees of the public employees retirement association deposited in the public employees insurance reserve holding account of the public employees retirement association; or

(c) For a municipality in which both a police relief association exists and police retirement coverage is provided in part by the public employees police and fire fund, the municipality may elect at its option to transmit the total state aid to the treasurer of the relief association as provided in clause (a), to use the total state aid to apply toward the municipality's employer contribution to the public employees police and fire fund subject to all the provisions set forth in clause (b), or to allot the total state aid proportionately to be transmitted to the police relief association as provided in this subdivision and to apply toward the municipality's employer contri-

bution to the public employees police and fire fund subject to the provisions of clause (b) on the basis of the respective number of active full-time peace officers, as defined in section 69.011, subdivision 1, clause (g).

(3) The county treasurer, upon receipt of the police state aid for the county, shall apply the total state aid toward the county's employer contribution to the public employees police and fire fund pursuant to section 353.65, subdivision 3, and any state aid in excess of the amount required to meet the employer's contribution pursuant to section 353.65, subdivision 3, shall also be contributed to the public employees police and fire fund and credited in the manner to be specified by the board of trustees of the public employees retirement association deposited in the public employees insurance reserve holding account of the public employees retirement association.

Sec. 3. Minnesota Statutes 1988, section 353.65, subdivision 1, is amended to read:

Subdivision 1. There is a special fund known as the "public employees police and fire fund." In that fund there shall be deposited employee contributions, employer contributions other than the excess contribution established by section 69.031, subdivision 5, paragraph (2), clauses (b) and (c), and paragraph (3), and other amounts authorized by law including all employee and employer contributions of members transferred. Within the public employees police and fire fund are accounts for each municipality known as the "local relief association consolidation accounts," which are governed by section 353A.09.

Sec. 4. Minnesota Statutes 1988, section 353.65, subdivision 6, is amended to read:

Subd. 6. All contributions other than the excess contribution established by section 69.031, subdivision 5, paragraph (2), clauses (b) and (c), and paragraph (3) shall be credited to the fund and all interest and other income of the fund shall be credited to said fund. The retirement fund shall be disbursed only for the purposes herein provided. The expenses of said fund and the annuities herein provided upon retirement shall be paid from said fund.

Sec. 5. Minnesota Statutes 1988, section 353.65, is amended by adding a subdivision to read:

Subd. 7. The public employees insurance reserve holding account is established in the public employees retirement association. Excess contributions established by section 69.031, subdivision 5, paragraph (2), clauses (b) and (c), and paragraph (3) must be deposited in the account. These contributions and all investment earnings associated with them must be regularly transferred to the insurance trust fund established by section 43A.316, subdivision 9.

ARTICLE 7

MINNESOTA PUBLIC PENSION PLAN
FIDUCIARY RESPONSIBILITY AND LIABILITY ACT

Section 1. [356A.01] [DEFINITIONS.]

Subdivision 1. [SCOPE.] For purposes of this chapter, the following terms have the meanings given them in this section.

Subd. 2. [BENEFIT.] "Benefit" means an amount, other than an administrative expense, paid or payable from a pension plan, including a retirement annuity, service pension, disability benefit, survivor benefit, death benefit, funeral benefit, or refund.

Subd. 3. [BENEFIT PROVISIONS.] "Benefit provisions" means the portion of a pension plan that deals specifically with the benefit coverage provided by the plan, including the kinds of coverage, the eligibility for and entitlement to benefits, and the amount of benefits.

Subd. 4. [BENEFIT RECIPIENT.] "Benefit recipient" means a person who has received a benefit from a pension plan or to whom a benefit is payable under the terms of the plan document of the pension plan.

Subd. 5. [CHIEF ADMINISTRATIVE OFFICER.] "Chief administrative officer" means the person who has primary responsibility for the execution of the administrative or management affairs of a pension plan.

Subd. 6. [COFIDUCIARY.] "Cofiduciary" means a fiduciary of a pension plan, other than a fiduciary directly undertaking a fiduciary activity or directly and primarily responsible for a fiduciary activity.

Subd. 7. [COVERED GOVERNMENTAL ENTITY.] "Covered governmental entity" means a governmental subdivision or other governmental entity that employs persons who are plan participants in a covered pension plan and who are eligible for that participation because of their employment.

Subd. 8. [COVERED PENSION PLAN.] "Covered pension plan" means a pension plan or fund listed in section 356.20, subdivision 2, or 356.30, subdivision 3.

Subd. 9. [COVERED PENSION PLAN OTHER THAN A STATE-WIDE PLAN.] "Covered pension plan other than a statewide plan" means a pension plan not included in the definition of a statewide plan in subdivision 24.

Subd. 10. [DIRECT OR INDIRECT PROFIT.] "Direct or indirect profit" means a payment of money, the provision of a service or an item of other than nominal value, an extension of credit, a loan, or any other special consideration to a fiduciary or a direct relative of a fiduciary on behalf of the fiduciary in consideration for the performance of a fiduciary activity or a failure to perform a fiduciary activity.

Subd. 11. [DIRECT RELATIVE.] "Direct relative" means any of the persons or spouses of persons related to one another within the third degree of kindred under civil law.

Subd. 12. [FIDUCIARY.] "Fiduciary" means a person identified in section 356A.02.

Subd. 13. [FIDUCIARY ACTIVITY.] "Fiduciary activity" means an activity described in section 356A.02, subdivision 2.

Subd. 14. [FINANCIAL INSTITUTION.] "Financial institution" means a bank, savings institution, or credit union organized under federal or state law.

Subd. 15. [GOVERNING BOARD OF A PENSION PLAN.] "Governing board of a pension plan" means the body of a pension plan that is assigned or that undertakes the chief policy-making powers and management duties of the plan.

Subd. 16. [INVESTMENT ADVISORY COUNCIL.] "Investment advisory council" means the investment advisory council established by section 11A.08.

Subd. 17. [LIABILITY.] "Liability" means a secured or unsecured debt or an obligation for a future payment of money, including an actuarial accrued liability or an unfunded actuarial accrued liability, except where the context clearly indicates another meaning.

Subd. 18. [OFFICE OF THE PENSION PLAN.] "Office of the pension plan" means an administrative facility or portion of a facility where the primary business or administrative affairs of a pension plan are conducted and the primary and permanent records and files of the plan are retained.

Subd. 19. [PENSION FUND.] "Pension fund" means the assets amassed and held in a pension plan, other than the general fund, as reserves for present and future payment of benefits and administrative expenses.

Subd. 20. [PENSION PLAN.] "Pension plan" means all aspects of an arrangement between a public employer and its employees concerning the pension benefit coverage provided to the employees.

Subd. 21. [PLAN DOCUMENT.] "Plan document" means a written document or series of documents containing the eligibility requirements and entitlement provisions constituting the benefit coverage of a pension plan, including any articles of incorporation, bylaws, governing body rules and policies, municipal charter provisions, municipal ordinance provisions, or general or special state law.

Subd. 22. [PLAN PARTICIPANT.] "Plan participant" means a person who is an active member of a pension plan by virtue of the person's employment or who is making a pension plan member contribution.

Subd. 23. [STATE BOARD OF INVESTMENT.] "State board of investment" means the Minnesota state board of investment created by the Minnesota Constitution, article XI, section 8.

Subd. 24. [STATEWIDE PLAN.] "Statewide plan" means any of the following pension plans:

(1) the Minnesota state retirement system or a pension plan administered by it;

(2) the public employees retirement association or a pension plan administered by it; and

(3) the teachers retirement association or a pension plan administered by it.

Sec. 2. [356A.02] [FIDUCIARY STATUS AND ACTIVITIES.]

Subdivision 1. [FIDUCIARY STATUS.] For purposes of this chapter, the following persons are fiduciaries:

(1) any member of the governing board of a covered pension plan;

(2) the chief administrative officer of a covered pension plan or of the state board of investment;

(3) any member of the state board of investment; and

(4) any member of the investment advisory council.

Subd. 2. [FIDUCIARY ACTIVITY.] The activities of a fiduciary identified in subdivision 1 that must be carried out in accordance with the requirements of section 356A.04 include, but are not limited to:

(1) the investment of plan assets;

- (2) the determination of benefits;
- (3) the determination of eligibility for membership or benefits;
- (4) the determination of the amount or duration of benefits;
- (5) the determination of funding requirements or the amounts of contributions;
- (6) the maintenance of membership or financial records; and
- (7) the expenditure of plan assets.

Sec. 3. [356A.03] [PROHIBITION OF CERTAIN PERSONS FROM FIDUCIARY STATUS.]

Subdivision 1. [INDIVIDUAL PROHIBITION.] For the prohibition period established by subdivision 2, a person, other than a constitutional officer of the state, who has been convicted of a violation listed in subdivision 3, may not serve in a fiduciary capacity identified in section 356A.02.

Subd. 2. [PROHIBITION PERIOD.] A prohibition under subdivision 1 is for a period of five years, beginning on the day following conviction for a violation listed in subdivision 3 or, if the person convicted is incarcerated, the day following unconditional release from incarceration.

Subd. 3. [APPLICABLE VIOLATIONS.] A prohibition under subdivision 1 is imposed as a result of any of the following violations of law:

- (1) a violation of federal law specified in United States Code, title 29, section 1111, as amended;
- (2) a violation of Minnesota law that is a felony under Minnesota law; or
- (3) a violation of the law of another state, United States territory or possession, or federally recognized Indian tribal government, or of the Uniform Code of Military Justice, that would be a felony under the offense definitions and sentences in Minnesota law.

Subd. 4. [DOCUMENTATION.] In determining the applicability of this section, the appropriate appointing authority, the state board of investment, or the covered pension plan, as the case may be, may rely on a disclosure form meeting the requirements of the federal Investment Adviser Act of 1940, as amended through the effective date of this section, and filed with the state board of investment or the pension plan.

Sec. 4. [356A.04] [GENERAL STANDARD OF FIDUCIARY CONDUCT.]

Subdivision 1. [DUTY.] A fiduciary of a covered pension plan owes a fiduciary duty to:

(1) the active, deferred, and retired members of the plan, who are its beneficiaries;

(2) the taxpayers of the state or political subdivision, who help to finance the plan; and

(3) the state of Minnesota, which established the plan.

Subd. 2. [PRUDENT PERSON STANDARD.] A fiduciary identified in section 356A.02 shall act in good faith and shall exercise that degree of judgment and care, under the circumstances then prevailing, that persons of prudence, discretion, and intelligence would exercise in the management of their own affairs, not for speculation, considering the probable safety of the plan capital as well as the probable investment return to be derived from the assets.

Sec. 5. [356A.05] [DUTIES APPLICABLE TO ALL ACTIVITIES.]

(a) The activities of a fiduciary of a covered pension plan must be carried out solely for the following purposes:

(1) to provide authorized benefits to plan participants and beneficiaries;

(2) to incur and pay reasonable and necessary administrative expenses; or

(3) to manage a covered pension plan in accordance with the purposes and intent of the plan document.

(b) The activities of fiduciaries identified in section 356A.02 must be carried out faithfully, without prejudice, and in a manner consistent with law and the plan document.

Sec. 6. [356A.06] [INVESTMENTS; ADDITIONAL DUTIES.]

Subdivision 1. [TITLE TO ASSETS.] Assets of a covered pension plan may be held only by the plan treasurer, the state board of investment, the depository agent of the plan, or of the state board of investment. Legal title to plan assets must be vested in the plan, the state board of investment, the governmental entity that sponsors the plan, the nominee of the plan, or the depository agent. The holder of legal title shall function as a trustee for a person or entity with a beneficial interest in the assets of the plan.

Subd. 2. [DIVERSIFICATION.] The investment of plan assets must be diversified to minimize the risk of substantial investment losses unless the circumstances at the time an investment is made clearly indicate that diversification would not be prudent.

Subd. 3. [ABSENCE OF PERSONAL PROFIT.] No fiduciary may personally profit, directly or indirectly, as a result of the investment or management of plan assets. This subdivision, however, does not preclude the receipt by a fiduciary of reasonable compensation, including membership in or the receipt of benefits from a pension plan, for the fiduciary's position with respect to the plan.

Subd. 4. [ECONOMIC INTEREST STATEMENT.] Each member of the governing board of a covered pension plan and the chief administrative officer of the plan shall file with the plan a statement of economic interest. The statement must contain the information required by section 10A.09, subdivision 5, and any other information that the fiduciary or the governing board of the plan determines is necessary to disclose a reasonably foreseeable potential or actual conflict of interest. The statement must be filed annually with the chief administrative officer of the plan and be available for public inspection during regular office hours at the office of the pension plan. A disclosure form meeting the requirements of the federal Investment Advisers Act of 1940, United States Code, title 15, sections 80b-1 to 80b-21 as amended, and filed with the state board of investment or the pension plan meets the requirements of this subdivision.

Subd. 5. [INVESTMENT BUSINESS RECIPIENT DISCLOSURE.] The chief administrative officer of a covered pension plan, with respect to investments made by the plan, and the executive director of the state board of investment, with respect to investments of plan assets made by the board, shall annually disclose in writing the recipients of investment business placed with or investment commissions allocated among commercial banks, investment bankers, brokerage organizations, or other investment managers. The disclosure document must be prepared within 60 days after the close of the fiscal year of the plan and must be available for public inspection during regular office hours at the office of the plan. The disclosure document must also be filed with the executive director of the legislative commission on pensions and retirement within 90 days after the close of the fiscal year of the plan. For the state board of investment, a disclosure document included as part of a regular annual report of the board is considered to have been filed on a timely basis.

Subd. 6. [LIMITED LIST OF AUTHORIZED INVESTMENT SECURITIES.] (a) Except to the extent otherwise authorized by law, a covered pension plan may invest its assets only in investment securities authorized by this subdivision if the plan does not:

(1) have assets with a book value in excess of \$1,000,000;

(2) use the services of an investment advisor registered with the Securities and Exchange Commission in accordance with the Investment Advisors Act of 1940, or licensed as an investment advisor in accordance with sections 80A.04, subdivision 4, and 80A.14, subdivision 9, for the investment of at least 60 percent of its assets, calculated on book value;

(3) use the services of the state board of investment for the investment of at least 60 percent of its assets, calculated on book value; or

(4) use a combination of the services of an investment advisor meeting the requirements of clause (2) and the services of the state board of investment for the investment of at least 75 percent of its assets, calculated on book value.

(b) Investment securities authorized for a pension plan covered by this subdivision are:

(1) certificates of deposit issued, to the extent of available insurance or collateralization, by a financial institution that is a member of the Federal Deposit Insurance Corporation or the Federal Savings and Loan Insurance Corporation, is insured by the National Credit Union Administration, or is authorized to do business in this state and has deposited with the chief administrative officer of the plan a sufficient amount of marketable securities as collateral in accordance with section 118.01;

(2) savings accounts, to the extent of available insurance, with a financial institution that is a member of the Federal Deposit Insurance Corporation or the Federal Savings and Loan Insurance Corporation;

(3) governmental obligations, including bonds, notes, bills, or other fixed obligations, issued by the United States, an agency or instrumentality of the United States, an organization established and regulated by an act of Congress or by a state, state agency or instrumentality, municipality, or other governmental or political subdivision that:

(i) for the obligation in question, issues an obligation that equals or exceeds the stated investment yield of debt securities not exempt from federal income taxation and of comparable quality;

(ii) for an obligation that is a revenue bond, has been completely self-supporting for the last five years; and

(iii) for an obligation other than a revenue bond, has issued an

obligation backed by the full faith and credit of the applicable taxing jurisdiction and has not been in default on the payment of principal or interest on the obligation in question or any other nonrevenue bond obligation during the preceding ten years;

(4) corporate obligations, including bonds, notes, debentures, or other regularly issued and readily marketable evidences of indebtedness issued by a corporation organized under the laws of any state that during the preceding five years has had on average annual net pretax earnings at least 50 percent greater than the annual interest charges and principal payments on the total issued debt of the corporation during that period and that, for the obligation in question, has issued an obligation rated in one of the top three quality categories by Moody's Investors Service, Incorporated, or Standard and Poor's Corporation; and

(5) shares in an open-end investment company registered under the federal Investment Company Act of 1940, if the portfolio investments of the company are limited to investments that meet the requirements of clauses (1) to (4).

Subd. 7. [EXPANDED LIST OF AUTHORIZED INVESTMENT SECURITIES.] Except to the extent otherwise authorized by law or bylaws, a covered pension plan not described by subdivision 6, paragraph (a), may invest its assets only in accordance with section 11A.24.

Subd. 8. [MINIMUM LIQUIDITY REQUIREMENTS.] A covered pension plan described by subdivision 6, paragraph (a), in order to pay benefits as they come due, shall invest a portion of its assets in authorized short-term debt obligations that can be immediately liquidated without accrual of a substantial determinable penalty or loss and that have an average maturity of no more than 90 days. The chief administrative officer of the plan shall determine the minimum liquidity requirement of the plan and shall retain appropriate documentation of that determination for three years from the date of determination.

Subd. 9. [PROHIBITED TRANSACTIONS.] (a) No fiduciary of a covered pension plan may engage in a prohibited transaction or allow the plan to engage in a transaction that the fiduciary knows or should know is a prohibited transaction.

(b) A prohibited transaction is any of the following transactions, whether direct or indirect:

(1) the sale, exchange, or lease of real estate between the pension plan and a fiduciary of the plan;

(2) the lending of money or other extension of credit between the plan and a fiduciary of the plan;

(3) the furnishing to a plan by a fiduciary for compensation or remuneration, of goods, services other than those performed in the capacity of fiduciary, or facilities;

(4) the furnishing to a fiduciary by a plan of goods, services, or facilities other than office and related space, equipment and office supplies, and administrative services appropriate to the recipient's fiduciary position;

(5) the transfer of plan assets to a plan fiduciary for use by or the benefit of the fiduciary, other than the payment of retirement plan benefits to which a fiduciary is entitled or the payment to a fiduciary of a reasonable salary and of necessary and reasonable expenses incurred by the fiduciary in the performance of the fiduciary's duties; and

(6) the sale, exchange, loan, or lease of any item of value between a plan and a fiduciary of the plan other than for a fair market value and as a result of an arms-length transaction.

Sec. 7. [356A.07] [BENEFIT SUMMARY; ANNUAL REPORTS; ADDITIONAL DUTIES.]

Subdivision 1. [BENEFIT PROVISIONS SUMMARY.] The chief administrative officer of a covered pension plan shall prepare and provide each active plan participant with a summary of the benefit provisions of the plan document. The summary must be provided within 30 days of the start or resumption of a participant's membership in the plan, or within 30 days of the date on which the start or resumption of membership was reported to a covered pension plan by a covered governmental entity, whichever is later. The summary must contain a notice that it is a summary of the plan document but is not itself the plan document, and that in the event of a discrepancy between the summary and the plan document as amended, the plan document governs. A copy of the plan document as amended must be furnished to a plan participant or benefit recipient upon request. The chief administrative officer may utilize the services of the covered governmental entity in providing the summary. The summary must be in a form reasonably calculated to be understood by an average plan participant.

Subd. 2. [ANNUAL FINANCIAL REPORT.] A covered pension plan shall provide each active plan participant and benefit recipient with a copy of the most recent annual financial report required by section 356.20 and a copy of the most recent actuarial evaluation, if any, required by section 69.77, 69.773, 356.215, or 356.216, or a summary of those reports.

Subd. 3. [DISTRIBUTION.] A covered pension plan may distribute the summaries required by this section through covered governmental entities so long as the plan has made arrangements with the entities to assure, with reasonable certainty, that the summaries will be distributed, or made easily available, to active plan participants.

Subd. 4. [REVIEW PROCEDURE.] If a review procedure is not specified by law for a covered pension plan, the chief administrative officer of the plan shall propose, and the governing board of the plan shall adopt and implement, a procedure for reviewing a determination of eligibility, benefits, or other rights under the plan that is adverse to a plan participant or benefit recipient. The review procedure must include provisions for timely notice to the plan participant or benefit recipient and reasonable opportunity to be heard in any review proceeding conducted and may, but need not be, a contested case under chapter 14.

Sec. 8. [356A.08] [PLAN ADMINISTRATION; ADDITIONAL DUTIES.]

Subdivision 1. [PUBLIC MEETINGS.] A meeting of the governing board of a covered statewide pension plan or of a committee of the governing board of the statewide plan is governed by section 471.705.

Subd. 2. [LIMIT ON COMPENSATION.] No fiduciary of a covered pension plan or a direct relative of a fiduciary may receive any direct or indirect compensation, fee, or other item of more than nominal value from a third party in consideration for a pension plan disbursement.

Sec. 9. [356A.09] [FIDUCIARY BREACH; REMEDIES.]

Subdivision 1. [OCCURRENCE OF BREACH.] A fiduciary breach occurs if a fiduciary violates the general standard of fiduciary conduct as specified in section 356A.04 in carrying out the activities of a fiduciary. A fiduciary breach also occurs if a fiduciary of a covered pension plan violates the provisions of section 356A.06, subdivision 9.

Subd. 2. [REMEDIES.] Remedies available for a fiduciary breach by a fiduciary are those specified by statute or available at common law.

Sec. 10. [356A.10] [COFIDUCIARY RESPONSIBILITY AND LIABILITY.]

Subdivision 1. [COFIDUCIARY RESPONSIBILITY IN GENERAL.] A cofiduciary has a general responsibility to oversee the

fiduciary activities of all other fiduciaries unless the activity has been allocated or delegated in accordance with subdivision 3. A cofiduciary also has a general responsibility to correct or alleviate a fiduciary breach of which the cofiduciary had or ought to have had knowledge.

Subd. 2. [COFIDUCIARY LIABILITY.] A cofiduciary is liable for a fiduciary breach committed by another fiduciary when the cofiduciary has a responsibility to oversee the fiduciary activities of the other fiduciary or to correct or alleviate a breach by that fiduciary.

Subd. 3. [LIMITATION ON COFIDUCIARY RESPONSIBILITY.] A cofiduciary may limit cofiduciary responsibility and liability through the allocation or delegation of fiduciary activities if the allocation or delegation:

- (1) follows appropriate procedures;
- (2) is made to an appropriate person or persons; and
- (3) is subject to continued monitoring of performance.

Subd. 4. [BAR TO LIABILITY IN CERTAIN INSTANCES.] A properly made delegation or allocation of a fiduciary activity is a bar to liability on the part of a fiduciary making the delegation or allocation unless the fiduciary has or ought to have knowledge of the breach and takes part in the breach, conceals it, or fails to take reasonable steps to remedy it.

Subd. 5. [EXTENT OF COFIDUCIARY LIABILITY.] Unless liability is barred under subdivision 4, cofiduciary liability is joint and several, but a cofiduciary has the right to recover from the responsible fiduciary for any damages paid by the cofiduciary.

Sec. 11. [356A.11] [FIDUCIARY INDEMNIFICATION.]

Subdivision 1. [INDEMNIFIED FIDUCIARIES.] A fiduciary who is a member of the governing board of a pension plan, the state board of investment or the investment advisory council, or who is an employee of a covered pension plan or of the state board of investment may be indemnified from liability for fiduciary breach. Indemnification is at the discretion of the governing board of the plan or of the state board of investment in the case of members of the state board or of the investment advisory council. A decision to indemnify a fiduciary must apply to all eligible fiduciaries of similar rank.

Subd. 2. [ALLOWABLE INDEMNIFICATION.] An indemnified fiduciary must be held harmless from reasonable costs or expenses incurred as a result of any actual or threatened litigation or other proceedings.

Sec. 12. [356A.12] [JURISDICTION; SERVICE OF PROCESS; AND STATUTE OF LIMITATIONS.]

Subdivision 1. [JURISDICTION.] The district court has jurisdiction over a challenge of a fiduciary action or inaction.

Subd. 2. [SERVICE OF PROCESS.] For a fiduciary or cofiduciary alleged in the complaint to be responsible for an alleged breach, personal service of process must be obtained.

Subd. 3. [LIMITATIONS ON LEGAL ACTIONS.] A legal action challenging a fiduciary action or inaction must be timely. Notwithstanding any limitation in chapter 541, an action is timely if it is brought within the earlier of the following periods:

(1) the period ending three years after the date of the last demonstrable act representing the alleged fiduciary breach or after the final date for performance of the act the failure to perform which constitutes the alleged breach; or

(2) the period ending one year after the date of the discovery of the alleged fiduciary breach.

Sec. 13. [356A.13] [CONTINUING FIDUCIARY EDUCATION.]

Subdivision 1. [OBLIGATION OF FIDUCIARIES.] A fiduciary of a covered pension plan shall make reasonable effort to obtain knowledge and skills sufficient to enable the fiduciary to perform fiduciary activities adequately. At a minimum, a fiduciary of a covered pension plan shall comply with the program established in accordance with subdivision 2.

Subd. 2. [CONTINUING FIDUCIARY EDUCATION PROGRAM.] The governing boards of covered pension plans shall each develop and periodically revise a program for the continuing education of any of their board members and any of their chief administrative officers who are not reasonably considered to be experts with respect to their activities as fiduciaries. The program must be designed to provide those persons with knowledge and skills sufficient to enable them to perform their fiduciary activities adequately.

Sec. 14. [EFFECTIVE DATE.]

Sections 1 to 13 are effective the day following final enactment.

ARTICLE 8
CONFORMING AMENDMENTS TO
FIDUCIARY PROVISIONS

Section 1. [3A.011] [ADMINISTRATION OF PLAN.]

The Minnesota state retirement system shall administer the legislators retirement plan in accordance with article 7.

Sec. 2. Minnesota Statutes 1988, section 11A.01, is amended to read:

11A.01 [STATEMENT OF PURPOSE.]

The purpose of ~~sections 11A.01 to 11A.25~~ this chapter is to establish standards ~~which will, in addition to the applicable standards of article 7,~~ to insure that state and pension assets subject to this legislation will be responsibly invested to maximize the total rate of return without incurring undue risk.

Sec. 3. Minnesota Statutes 1988, section 11A.04, is amended to read:

11A.04 [DUTIES AND POWERS.]

The state board shall:

(1) Act as trustees for each fund for which it invests or manages money in accordance with the standard of care set forth in section 11A.09 if state assets are involved and in accordance with article 7 if pension assets are involved.

(2) Formulate policies and procedures deemed necessary and appropriate to carry out its functions. Procedures adopted by the board ~~shall~~ must allow fund beneficiaries and members of the public to become informed of proposed board actions. Procedures and policies of the board ~~shall~~ are not be subject to the administrative procedure act.

(3) Employ an executive director as provided in section 11A.07.

(4) Employ investment advisors and consultants as it deems necessary.

(5) Prescribe policies concerning personal investments of all employees of the board to prevent conflicts of interest.

(6) Maintain a record of its proceedings.

(7) As it deems necessary, establish advisory committees subject to the provisions of section 15.059 to assist the board in carrying out its duties.

(8) Not permit state funds to be used for the underwriting or direct purchase of municipal securities from the issuer or the issuer's agent.

(9) Direct the state treasurer to sell property other than money ~~which that~~ has escheated to the state when the board determines that sale of the property is in the best interest of the state. Escheated property ~~shall~~ must be sold to the highest bidder in the manner and upon terms and conditions prescribed by the board.

(10) Undertake any other activities necessary to implement the duties and powers set forth in this section.

(11) Establish a formula or formulas to measure management performance and return on investment. All Public pension funds in the state shall utilize the formula or formulas developed by the state board.

(12) Except as otherwise provided in article XI, section 8, of the constitution of the state of Minnesota, employ, at its discretion, qualified private firms to invest and manage the assets of funds over which the state board has investment management responsibility. There is annually appropriated to the state board, from the assets of the funds for which the state board utilizes a private investment manager, sums sufficient to pay the costs ~~therefor~~ of employing private firms. Each year, by January 15, the board shall report to the governor and legislature on the cost and the investment performance of each investment manager employed by the board.

(13) Adopt an investment policy statement that includes investment objectives, asset allocation, and the investment management structure for the retirement fund assets under its control. The statement may be revised at the discretion of the state board. The state board shall seek the advice of the council regarding its investment policy statement. Adoption of the statement is not subject to chapter 14.

Sec. 4. Minnesota Statutes 1988, section 11A.07, subdivision 4, is amended to read:

Subd. 4. [DUTIES AND POWERS.] The director, at the direction of the state board, shall:

(1) Plan, direct, coordinate and execute administrative and investment functions in conformity with the policies and directives of the state board and the requirements of this chapter and of article 7.

(2) Employ ~~such~~ professional and clerical staff as is necessary within the complement limits established by the legislature. Employees whose primary responsibility is to invest or manage money or employees who hold positions designated as unclassified ~~pursuant to~~ under section 43A.08, subdivision 1a ~~shall be~~, are in the unclassified service of the state. Other employees ~~shall be~~ are in the classified service.

(3) Report to the state board on all operations under the director's control and supervision.

(4) Maintain accurate and complete records of securities transactions and official activities.

(5) Establish a policy relating to the purchase and sale of ~~all~~ securities on the basis of competitive offerings or bids. The policy is subject to board approval.

(6) Cause ~~all~~ securities acquired to be kept in the custody of the state treasurer or ~~such~~ other depositories consistent with article 7, as the state board deems appropriate.

(7) Prepare and file with the director of the legislative reference library ~~on or before~~, by December 31 of each year, a report summarizing the activities of the state board, the council, and the director during the preceding fiscal year. The report ~~shall~~ must be prepared so as to provide the legislature and the people of the state with a clear, comprehensive summary of the portfolio composition, the transactions, the total annual rate of return, and the yield to the state treasury and to each of the funds whose assets are invested by the state board, and the recipients of business placed or commissions allocated among the various commercial banks, investment bankers, and brokerage organizations. ~~This~~ The report ~~shall~~ must contain financial statements for funds managed by the board prepared in accordance with generally accepted accounting principles.

(8) Require state officials from any department or agency to produce and provide access to any financial documents the state board deems necessary in the conduct of ~~their~~ its investment activities.

(9) Receive and expend legislative appropriations.

(10) Undertake any other activities necessary to implement the duties and powers set forth in this subdivision consistent with article 7.

Sec. 5. Minnesota Statutes 1988, section 11A.09, is amended to read:

11A.09 [STANDARD OF CARE.]

In the discharge of their respective duties, the members of the state board, director, board staff, and members of the council and any other person charged with the responsibility of investing money pursuant to the standards set forth in sections 11A.01 to 11A.25 shall act in good faith and shall exercise that degree of judgment and care, under circumstances then prevailing, which persons of prudence, discretion and intelligence exercise in the management of their own affairs, not for speculation, but for investment, considering the probable safety of their capital as well as the probable income to be derived therefrom. In addition, for the investment of pension fund assets, the members and director of the state board, and members of the investment advisory council shall act in accordance with article 7.

Sec. 6. Minnesota Statutes 1988, section 11A.13, subdivision 1, is amended to read:

Subdivision 1. [LEGAL TITLE TO FUND ASSETS.] Legal title to the assets of state funds to be invested by the state board ~~shall~~ must be in the state of Minnesota, or its nominees. Legal title to pension funds to be invested by the state board ~~shall~~ must be in the state board, or its nominees, as trustees for any person having a beneficial interest in the applicable fund subject to the rights of the particular funds maintaining shares, investment participation or units in the accounts to their credit as specified in article 7, section 6.

Sec. 7. Minnesota Statutes 1988, section 69.77, subdivision 2g, is amended to read:

Subd. 2g. The funds of the association ~~shall~~ must be invested in securities ~~which that~~ are proper authorized investments pursuant to under article 7, section 11A.24 6, subdivision 6 or 7. Notwithstanding the foregoing, up to 75 percent of the market value of the assets of the fund may be invested in open-end investment companies registered under the federal Investment Company Act of 1940, if the portfolio investments of the investment companies comply with the type of securities authorized for investment by section 11A.24, subdivisions 2 to 5. Securities held by the association before ~~March 20, 1986, which the effective date of this section~~ that do not meet the requirements of this paragraph subdivision may be retained after that date if they were proper investments for the association on that date.

The governing board of the association may select and appoint investment agencies to act for and in its behalf or may certify funds for investment by the state board of investment under the provisions of section 11A.17. The governing board of the association may select and appoint a qualified private firm to measure management performance and return on investment, and the firm shall use the

formula or formulas developed by the state board pursuant to under section 11A.04, clause (11).

Sec. 8. Minnesota Statutes 1988, section 69.775, is amended to read:

69.775 [INVESTMENTS.]

The special fund assets of the relief associations governed by sections 69.771 to 69.776 shall must be invested in securities which that are proper authorized investments pursuant to under article 7, section 11A.24 6, subdivision 6 or 7. Notwithstanding the foregoing, up to 75 percent of the market value of the assets of the fund may be invested in open-end investment companies registered under the federal Investment Company Act of 1940, if the portfolio investments of the investment companies comply with the type of securities authorized for investment by section 11A.24, subdivisions 2 to 5. Securities held by the associations before March 20, 1986, which the effective date of this section that do not meet the requirements of this section may be retained after that date if they were proper investments for the association on that date. The governing board of the association may select and appoint investment agencies to act for and in its behalf or may certify funds for investment by the state board of investment under the provisions of section 11A.17. The governing board of the association may select and appoint a qualified private firm to measure management performance and return on investment, and the firm shall use the formula or formulas developed by the state board under section 11A.04, clause (11).

Sec. 9. Minnesota Statutes 1988, section 136.84, is amended to read:

136.84 [TITLE TO ASSETS, PERSONAL RIGHTS.]

The right of a person who has shares to the credit of the person's employee's share account record to redeem the shares or any portion thereof of the shares is a personal right only and shall is not be assignable. Legal title to the assets of the supplemental retirement investment fund shall be in the state of Minnesota or the state board of investment or the nominee of either is as specified in article 7, section 6, subdivision 1, subject to the rights of the teachers retirement fund. Any An assignment or attempted assignment of shares to the credit of an employee's share account record by any person is null and void. Such Shares are exempt from garnishment or levy under attachment or execution and from all taxation by the state of Minnesota, except that none shall be but are not exempt from taxation under chapter 291, unless transferred to a surviving spouse or minor or dependent child of the decedent or a trust for their benefit.

Sec. 10. Minnesota Statutes 1988, section 352.03, subdivision 7, is amended to read:

Subd. 7. [DIRECTORS' FIDUCIARY OBLIGATION.] The board and the director shall administer the law faithfully without prejudice and undertake their activities consistent with the expressed intent of the legislature. They shall act in their respective capacities with a fiduciary obligation to the state of Minnesota which created the fund, the taxpayers who aid in financing it, and the state employees who are its beneficiaries article 7.

Sec. 11. Minnesota Statutes 1988, section 352.92, is amended by adding a subdivision to read:

Subd. 3. [PLAN ADMINISTRATION.] The Minnesota state retirement system shall administer the correctional employees retirement plan established by sections 352.90 to 352.951 in accordance with this chapter, chapter 356, and article 7.

Sec. 12. Minnesota Statutes 1988, section 352.96, subdivision 3, is amended to read:

Subd. 3. [EXECUTIVE DIRECTOR TO ADMINISTER SECTION.] This section shall ~~must~~ be administered by the executive director of the system under subdivision 4. Fiduciary activities of the deferred compensation plan must be undertaken in a manner consistent with article 7. If the state board of investment so elects, it may solicit bids for options under subdivision 2, clauses (2) and (3). All contracts must be approved before execution by the state board of investment. Contracts must provide that all options in subdivision 2 must: be presented in an unbiased manner, be presented and in a manner conforming that conforms to applicable rules adopted by the executive director, be reported on a periodic basis to all employees participating in the deferred compensation program, and not be the subject of unreasonable solicitation of state employees to participate in the program. The contract may not call for any person to jeopardize the tax-deferred status of money invested by state employees under this section. All costs or fees in relation to the options provided under subdivision 2, clause (3), must be paid by the underwriting companies ultimately selected by the state board of investment.

Sec. 13. Minnesota Statutes 1988, section 352B.03, subdivision 1, is amended to read:

Subdivision 1. [OFFICERS.] The policy-making, management, and administrative functions governing the operation of the state patrol retirement fund are vested in the board of directors and executive director of the Minnesota state retirement system with duties, authority, and responsibility as provided in chapter 352.

Fiduciary activities of the fund must be undertaken in a manner consistent with article 7.

Sec. 14. Minnesota Statutes 1988, section 352C.091, subdivision 1, is amended to read:

Subdivision 1. [ADMINISTRATIVE AGENCY AND STANDARDS.] The provisions of This chapter shall must be administered by the Minnesota state retirement system. The elected state officers retirement plan must be administered consistent with this chapter, chapter 356, and article 7.

Sec. 15. Minnesota Statutes 1988, section 352D.09, subdivision 1, is amended to read:

Subdivision 1. [ADMINISTRATIVE AGENCY AND STANDARDS.] The unclassified employees retirement plan and the provisions of this chapter shall must be administered by the Minnesota state retirement system. The provisions of chapter 352 shall govern in all instances where not inconsistent with the provisions of this chapter. Fiduciary activities of the unclassified employees retirement plan must be undertaken in a manner consistent with article 7.

Sec. 16. Minnesota Statutes 1988, section 353.03, subdivision 1, is amended to read:

Subdivision 1. [MANAGEMENT; COMPOSITION; ELECTION.] The management of the public employees retirement fund is vested in a board of trustees consisting of the state auditor and eight members. The governor shall appoint five trustees to four-year terms, one of whom shall be designated to represent school boards, one to represent cities, one to represent counties, one who shall be is a retired annuitant, and one who is a public member knowledgeable in pension matters. The membership of the association shall elect three trustees for terms of four years. Trustees elected by the membership of the association must be public employees and members of the association. For seven days beginning October 1 of each year preceding a year in which an election is held, the association shall accept at its office filings in person or by mail of candidates for the board of trustees. A candidate shall submit at the time of filing a nominating petition signed by 25 or more members of the fund. No name may be withdrawn from nomination by the nominee after October 15. At the request of a candidate for an elected position on the board of trustees, the board shall mail a statement of up to 300 words prepared by the candidate to all persons eligible to vote in the election of the candidate. The board may adopt policies to govern form and length of these statements, timing of mailings, and deadlines for submitting materials to be mailed. These policies must be approved by the secretary of state. The secretary of state shall resolve disputes between the board and a candidate concerning

application of these policies to a particular statement. A candidate who:

(1) receives contributions or makes expenditures in excess of \$100; or

(2) has given implicit or explicit consent for any other person to receive contributions or make expenditures in excess of \$100 for the purpose of bringing about the candidate's election, ~~must~~ shall file a report with the ethical practices board disclosing the source and amount of all contributions to the candidate's campaign. The ethical practices board shall prescribe forms governing these disclosures. Expenditures and contributions have the meaning defined in section 10A.01. These terms do not include the mailing made by the association board on behalf of the candidate. A candidate ~~must~~ shall file a report within 30 days from the day that the results of the election are announced. The ethical practices board shall maintain these reports and make them available for public inspection in the same manner as the board maintains and makes available other reports filed with it. By January 10 of each year in which elections are to be held the board shall distribute by mail to the members ballots listing the candidates. No member may vote for more than one candidate for each board position to be filled. A ballot indicating a vote for more than one person for any position is void. No special marking may be used on the ballot to indicate incumbents. The last day for mailing ballots to the fund is January 31. Terms expire on January 31 of the fourth year, and positions are vacant until newly elected members are qualified. The ballot envelopes must be so designed and the ballots counted in a manner that ensures that each vote is secret.

The secretary of state shall supervise the elections. The board of trustees and the executive director shall ~~faithfully administer the law without prejudice and undertake their activities consistent with the expressed intent of the legislature. Board members shall act as trustees with a fiduciary obligation to the state of Minnesota, which created the fund, the taxpayers of the governmental subdivisions that aid in financing it, and the public employees who are its beneficiaries. They shall act in good faith and shall exercise that degree of judgment and care, under circumstances then prevailing, that persons of prudence, discretion, and intelligence exercise in the management of their own affairs~~ article 7.

Sec. 17. Minnesota Statutes 1988, section 354.06, subdivision 1, is amended to read:

Subdivision 1. The management of the fund ~~shall be~~ is vested in a board of eight trustees ~~which shall be~~ known as the board of trustees of the teachers retirement fund. It ~~shall be~~ is composed of the following persons: the commissioner of education, the commissioner of finance, the commissioner of commerce, four members of the fund

who shall be elected by the members of the fund, and one retiree who shall be elected by the retirees of the fund. The five elected members of the board of trustees shall must be chosen by mail ballot in a manner which shall be fixed by the board of trustees of the fund. In every odd-numbered year there shall be elected two members of the fund to the board of trustees for terms of four years commencing on the first of July next succeeding their election. In every odd-numbered year there shall be elected one retiree of the fund must be elected to the board of trustees for a term of two years commencing on the first of July next succeeding the election. The filing of candidacy for a retiree election must include a petition of endorsement signed by at least ten retirees of the fund. Each election shall must be completed by June first of each succeeding odd-numbered year. In the case of elective members, any vacancy shall must be filled by appointment by the remainder of the board, and the appointee shall serve until the members or retirees of the fund at the next regular election have elected a trustee to serve for the unexpired term caused by the vacancy. No member or retiree shall may be appointed by the board, or elected by the members of the fund as a trustee, if the person is not a member or retiree of the fund in good standing at the time of the appointment or election.

Subd. 1a. [FIDUCIARY DUTY.] It shall be is the duty of the board of trustees and the executive director to faithfully administer the law without prejudice and undertake their activities consistent with the expressed intent of the legislature. They shall act as trustees with a fiduciary obligation to the state of Minnesota which created the fund, the taxpayers which aid in financing it and the teachers who are its beneficiaries article 7.

Sec. 18. Minnesota Statutes 1988, section 354A.021, subdivision 6, is amended to read:

Subd. 6. [TRUSTEES' FIDUCIARY OBLIGATION.] It is the duty of The trustees or directors of each teachers retirement fund association to shall administer each fund in accordance with the applicable portions of this chapter, of the articles of incorporation, and of the bylaws, and of article 7. They shall act as trustees with a fiduciary obligation to the state of Minnesota which created the fund, the taxpayers which aid in financing it, and the teachers who are its beneficiaries. The purpose of this subdivision is to establish each teachers retirement fund association as a trust under the laws of the state of Minnesota for all purposes related to section 401(a) of the Internal Revenue Code of the United States, including all amendments.

Sec. 19. Minnesota Statutes 1988, section 422A.05, subdivision 2a, is amended to read:

Subd. 2a. [FIDUCIARY DUTY.] In the discharge of their respective duties, the members of the board, the executive director, the

board staff, and any other person charged with the responsibility of investing money pursuant to the standards set forth in this chapter shall act in good faith and shall exercise that degree of judgment and care, under circumstances then prevailing, which persons of prudence, discretion and intelligence exercise in the management of their own affairs, not for speculation, but for investment, considering the probable safety of their capital as well as the probable income to be derived therefrom. In addition, the members of the board and the chief administrative officer shall act in a manner consistent with article 1.

Sec. 20. Minnesota Statutes 1988, section 422A.05, subdivision 2d, is amended to read:

Subd. 2d. [ACCOUNT TRANSFERS.] Notwithstanding any law to the contrary, the retirement board, subject to the standards of subdivision 2a of this section and article 7, may transfer assets between accounts established by section 422A.06.

Sec. 21. Minnesota Statutes 1988, section 423.374, is amended to read:

423.374 [OFFICERS OF ASSOCIATION.]

The officers of the relief association shall be a president, one or more vice-presidents, a secretary and a treasurer. The offices of assistant secretary and assistant treasurer may be created by the bylaws of any such associations. The affairs of each association shall must be managed in accordance with article 7 by a board of directors elected in the manner prescribed by the articles of incorporation of the association.

The secretary and treasurer of each relief association shall each furnish a corporate bond to the association for the faithful performance of their duties, in such amounts as the association from time to time may determine. Each relief association shall and is hereby authorized to pay the premiums on such bonds from its special fund.

Sec. 22. Minnesota Statutes 1988, section 423.45, is amended to read:

423.45 [OFFICERS; DIRECTORS; BOND.]

The officers of the relief association shall be a president, one or more vice-presidents, a secretary and a treasurer. The offices of assistant secretary and assistant treasurer may be created by the bylaws of any such associations. The affairs of each association shall must be managed in accordance with article 7 by a board of directors elected in the manner prescribed by the articles of incorporation of the association.

The secretary and treasurer of each relief association shall each furnish a corporate bond to the association for the faithful performance of their duties, in such amounts as the association from time to time may determine. Each relief association shall and is hereby authorized to pay the premiums on such bonds from its special fund.

Sec. 23. Minnesota Statutes 1988, section 423.805, is amended to read:

423.805 [POLICE PENSION FUND.]

The association shall establish a police pension fund or continue to maintain the police pension fund now existing in the city and shall have the management manage and control of the fund. Fiduciary activities of the fund must be undertaken in a manner consistent with article 7.

Sec. 24. Minnesota Statutes 1988, section 423A.21, subdivision 4, is amended to read:

Subd. 4. [FIDUCIARY RESPONSIBILITY.] In the discharge of their respective duties, the officers and trustees shall be held to the standard of care enumerated in section 11A.09. In addition, the trustees must act in accordance with article 7.

Each member of the board is a fiduciary and shall undertake all fiduciary activities in accordance with the standard of care of section 11A.09, and in a manner consistent with article 7. No fiduciary of a relief association shall cause a relief association to engage in a transaction if the fiduciary knows or should know that a transaction constitutes one of the following direct or indirect transactions:

(1) sale or exchange or leasing of any real property between the relief association and a board member;

(2) lending of money or other extension of credit between the relief association and a board member or member of the relief association;

(3) furnishing of goods, services, or facilities between the relief association and a board member; or

(4) transfer to a board member, or use by or for the benefit of a board member, of any assets of the relief association. Transfer of assets does not mean the payment of relief association benefits or administrative expenses permitted by law.

Sec. 25. Minnesota Statutes 1988, section 424.06, is amended to read:

424.06 [OFFICERS; TRUSTEES.]

The officers of the relief association shall be a president, one or more vice-presidents, a secretary, and a treasurer. The offices of assistant secretary and assistant treasurer may be created by the bylaws of any such associations. The affairs of each association shall must be managed in accordance with article 7 by a board of trustees elected in the manner prescribed by the articles of incorporation of the association.

The secretary and treasurer of each relief association shall each furnish a corporate bond to the association for the faithful performance of their duties, in amounts as the association from time to time may determine. Each relief association shall be and is hereby authorized to pay the premiums on such bonds from its general fund.

Sec. 26. Minnesota Statutes 1988, section 424A.001, subdivision 7, is amended to read:

Subd. 7. [FIDUCIARY RESPONSIBILITY.] In the discharge of their respective duties, the officers and trustees shall be held to the standard of care enumerated in section 11A.09. In addition, the trustees must act in accordance with article 7.

Each member of the board is a fiduciary and shall undertake all fiduciary activities in accordance with the standard of care of section 11A.09, and in a manner consistent with article 7. No fiduciary of a relief association shall cause a relief association to engage in a transaction if the fiduciary knows or should know that a transaction constitutes one of the following direct or indirect transactions:

(1) sale or exchange or leasing of any real property between the relief association and a board member;

(2) lending of money or other extension of credit between the relief association and a board member or member of the relief association;

(3) furnishing of goods, services, or facilities between the relief association and a board member; or

(4) transfer to a board member, or use by or for the benefit of a board member, of any assets of the relief association. Transfer of assets does not mean the payment of relief association benefits or administrative expenses permitted by law.

Sec. 27. Minnesota Statutes 1988, section 424A.04, subdivision 2, is amended to read:

Subd. 2. [FIDUCIARY DUTY.] It shall be the duty of The board of trustees to faithfully administer any provisions of statute or special law applicable to the relief association without prejudice and shall undertake their activities consistent with the expressed intent of

the legislature. The members of the board shall act as trustees with a fiduciary obligation to the state of Minnesota which authorized the creation of the relief association, to the taxpayers who aid in its financing, and to the firefighters who are its beneficiaries article 7.

Sec. 28. [490.021] [ADMINISTRATION OF VARIOUS JUDGES RETIREMENT PLANS.]

The Minnesota state retirement system shall administer the judges retirement plans established by sections 490.025 to 490.12 in accordance with article 7.

Sec. 29. Minnesota Statutes 1988, section 490.122, is amended to read:

490.122 [ADMINISTRATION OF JUDGES' RETIREMENT.]

The policy-making, management, and administrative functions governing the operation of the judges' retirement fund and the administration of sections 490.025 490.121 to 490.132 shall be vested in the board of directors and executive director of the Minnesota state retirement system with such duties, authority, and responsibility as are provided in chapter 352. Except as otherwise specified, no provision of chapter 352 shall apply applies to the judges' retirement fund or any judge. Fiduciary activities of the uniform retirement and survivors' annuities for judges must be undertaken in a manner consistent with article 7.

Sec. 30. [EFFECTIVE DATE.]

Sections 1 to 29 are effective the day following final enactment.

ARTICLE 9

OTHER TEACHERS'
RETIREMENT ASSOCIATIONS PROVISIONS

Section 1. Minnesota Statutes 1988, section 11A.19, is amended by adding a subdivision to read:

Subd. 9. Effective June 30, 1989, all assets of the variable annuity investment fund must be transferred to the Minnesota combined investment funds to the credit of the teachers retirement fund established under chapter 354.

Sec. 2. Minnesota Statutes 1988, section 354.50, is amended by adding a subdivision to read:

Subd. 5. Notwithstanding section 354.62, subdivision 5, clause (4),

a member who received a refund of variable account accumulations may repay this refund to the member's formula account under this section.

Sec. 3. Minnesota Statutes 1988, section 354.62, subdivision 2, is amended to read:

Subd. 2. [INDIVIDUAL ELECTION.] Each member of the teachers retirement association may elect to participate in the variable annuity division by filing a written notice with the board of trustees on forms provided by the board.

(1) Employee variable annuity contributions to the variable annuity division shall be pursuant to the option available in section 354.44, subdivision 7, the employee variable annuity contributions shall be an amount equal to one-half of the employee rates specified in section 354.42, subdivision 2.

(2) Employer variable annuity contributions shall be an amount equal to the employee variable annuity contributions provided in clause (1). The deficiency in equal employer variable annuity contributions which shall exist prior to July 1, 1975 shall be recovered from the additional employer contributions made prior to July 1, 1975 pursuant to section 354.42, subdivision 5.

(3) There shall be provided for members participating in the variable annuity division a separate account for each member which will show the member's variable account accumulations as defined in section 354.05, subdivision 23. The board shall establish such other accounts in the variable annuity division as it deems necessary for the operation of this provision.

(4) After June 30, 1974 there shall be no new participants in this program.

(5) Any active member currently participating in the variable annuity division may elect to cease participation in the variable annuity division effective the July 1 following the filing of a written notice with the board of trustees on forms provided by the board. If this election is made, all future contributions will go to the formula program.

(6) Effective May 16, 1989, all active and inactive members with variable account accumulations must have their formula service credit covered by the full formula program percentages specified in section 354.44, subdivision 6. Each active and inactive member's variable account accumulations must be transferred to the member's formula account and this amount must become part of the member's accumulated deductions. An equal employer contribution amount must be transferred to the regular fund of the association.

These transfers must include any employee and employer contributions made after June 30, 1988.

Sec. 4. Minnesota Statutes 1988, section 354.62, is amended by adding a subdivision to read:

Subd. 7. [TRANSFER.] Effective June 30, 1989, all persons receiving benefits from the variable annuity reserve account must have the full amount of their required reserves transferred to the Minnesota postretirement investment fund. Benefit payments from the Minnesota postretirement investment fund must be in the same amount as benefit payments from the variable annuity reserve account but any future increases on these amounts must be based on the increases applicable to the Minnesota postretirement investment fund as determined under section 11A.18. The first increase must be paid January 1, 1990. The additional required reserves, including the required reserves for the first increase, that must be transferred from the variable annuity fund to the Minnesota postretirement investment fund must be transferred from the turnover account of the variable annuity fund. After this transfer of additional required reserves, any remaining balance in the turnover account of the variable annuity fund must be transferred to the regular fund of the association.

Sec. 5. [ENTITLEMENT TO ANNUITY.]

Notwithstanding any requirement of prior law that a member or former member have 20 years of service credit in order for a surviving spouse to receive a joint and survivor annuity under the teachers' retirement association formula program established in Minnesota Statutes, section 354.46, a surviving spouse of a person who met the following qualifications is entitled to receive the second portion of a 100 percent joint and survivor annuity under the formula program:

- (1) the person was age 55 or older at the time of death;
- (2) the person had at least 19 years of service credit in the teachers' retirement association; and
- (3) the sum of the person's service credit in the teachers' retirement association plus the person's employment at the University of Minnesota exceeds 20 years.

The payments due under this section do not include postretirement adjustments that would have been granted between the time of the member or former member's death and the effective date of this section.

The teachers' retirement association shall transfer to the state

board of investment, for deposit in the postretirement investment fund, money equal to the reserves required to fund the benefits payable under this section.

Sec. 6. [EFFECTIVE DATE.]

Sections 1 to 5 are effective the day following final enactment. Section 5 applies retroactively to the surviving spouses of persons who died after January 1, 1977. Annuity payments due under section 5 must begin after the date of final enactment. No payments are due for the period of time before the effective date of section 5.

ARTICLE 10

VOLUNTEER FIREFIGHTERS

Section 1. Minnesota Statutes 1988, section 423A.01, subdivision 2, is amended to read:

Subd. 2. [OPERATION OF LOCAL RELIEF ASSOCIATION UPON MODIFICATION OF RETIREMENT COVERAGE FOR NEWLY HIRED POLICE OFFICERS AND FIREFIGHTERS.] The following provisions shall govern the operation of a local relief association upon the modification of retirement coverage for newly hired police officers or firefighters:

(1) The minimum obligation of a municipality in which the retirement coverage for newly hired police officers or salaried firefighters has been modified pursuant to subdivision 1 with respect to the local relief association shall be determined and governed in accordance with the provisions of sections 69.77, 356.215 and 356.216, except that the normal cost calculation for the relief association shall be computed as a percentage of the compensation paid to the active members of the relief association. The compensation paid to persons with retirement coverage modified pursuant to subdivision 1 shall not be included in any of the computations made in determining the obligation of the municipality with respect to the local relief association.

(2) The contribution rate of members of the local relief association shall be governed by section 69.77, unless a special law establishing a greater member contribution rate is applicable whereupon it shall continue to govern. The member contribution rate of persons with retirement coverage modified pursuant to subdivision 1 shall be governed by section 353.65.

(3) Unless otherwise provided for by law, when every active member of the local relief association retires or terminates from active duty, the local relief association shall cease to exist as a legal entity and the assets of the special fund of the relief association shall

be transferred to a trust fund to be established by the appropriate municipality for the purpose of paying service pensions and retirement benefits to recipient beneficiaries. Recipient beneficiaries who are competent to act on their own behalf shall be entitled to select the prescribed number of trustees of the trust fund as provided in this clause, subject to the approval of the governing body of the municipality. If there are at least five recipient beneficiaries, the trust fund shall be managed by a board of trustees composed of five persons selected by the recipient beneficiaries of the fund. When there are fewer than five recipient beneficiaries, the number of trustees selected by the recipient beneficiaries shall be equal to the number of the remaining recipient beneficiaries. The governing body of the municipality shall select the additional trustees. The term of the elected members of the board of trustees shall be indefinite and shall continue until a vacancy occurs in one of the board of trustee member positions. Board of trustee members shall not be compensated for their services, but shall be reimbursed for any expenses actually and necessarily incurred as a result of the performance of their duties in their capacity as board of trustee members. The municipality shall perform whatever services are necessary to administer the trust fund. When all obligations of the trust fund are paid, the balance of the assets remaining in the trust fund shall revert to the municipality for expenditure for law enforcement or firefighting purposes, whichever is applicable.

(4) The financial requirements of the trust fund and the minimum obligation of the municipality with respect to the trust fund shall be determined in accordance with sections 69.77, 356.215 and 356.216 until the unfunded accrued liability of the trust fund is fully amortized in accordance with section 69.77, subdivision 2b. The municipality shall provide in its annual budget for at least the aggregate amount of service pensions, disability benefits, survivorship benefits and refunds which are projected as payable for the following calendar year, as determined by the board of trustees of the trust fund, less the amount of assets in the trust fund as of the end of the most current calendar year for which figures are available, valued pursuant to section 356.20, subdivision 4, clause (1)(a), if the difference between those two figures is a positive number.

(5) In calculating the amount of service pensions and other retirement benefits payable from the local relief association and in calculating the amount of any automatic post retirement increases in those service pensions and retirement benefits based on the salary paid or payable to active members or escalated in any fashion, the salary for use as the base for the service pension or retirement benefit calculation and the post retirement increase calculation for the local relief association shall be the salary for the applicable position as specified in the articles of incorporation or bylaws of the relief association as of the date immediately prior to the effective date of the modification of retirement coverage for newly hired personnel pursuant to subdivision 1, as the applicable salary is reset

by the municipality periodically, irrespective of whether retirement coverage for persons holding the applicable position used in calculations is provided by the relief association or by the public employees police and fire fund. If for a local salaried firefighters relief association, the specified position no longer exists because of a reorganization of the fire department as a volunteer fire department, the percentage increase in the salary of the position of a top grade patrol officer in the police department of the municipality must be the basis for service pension and retirement benefit postretirement increase calculations.

(6) If the modification of retirement coverage implemented pursuant to subdivision 1 is applicable to a local police relief association, the police state aid received by the municipality shall be disbursed pursuant to section 69.031, subdivision 5, clause (2)(c). If the modification of retirement coverage implemented pursuant to subdivision 1 is applicable to a local firefighters' relief association, the fire state aid received by the applicable municipality shall be disbursed as the municipality at its option may elect. The municipality may elect: (a) to transmit the total fire state aid to the treasurer of the local relief association for immediate deposit in the special fund of the relief association; or (b) to apply the total fire state aid toward the employer contribution of the municipality to the public employees police and fire fund pursuant to section 353.65, subdivision 3; or (c) to allocate the total fire state aid proportionately between the special fund of the local relief association and employer contribution of the municipality to the public employees police and fire fund on the basis of the respective number of active full time salaried firefighters receiving retirement coverage from each.

Sec. 2: Minnesota Statutes 1988, section 424A.01, subdivision 2, is amended to read:

Subd. 2. [STATUS OF SUBSTITUTE OR PROBATIONARY VOLUNTEER FIREFIGHTERS.] No person who is serving as a substitute or a probationary volunteer firefighter shall be deemed to be a firefighter for purposes of chapter 69 or this chapter nor shall be authorized to be a member of any volunteer firefighters' relief association governed by chapter 69 or this chapter.

Sec. 3: Minnesota Statutes 1988, section 424A.02, subdivision 1, is amended to read:

Subdivision 1. [AUTHORIZATION.] Any A relief association, when its articles of incorporation or bylaws so provide, may pay out of the assets of its special fund a service pension to each of its members who: (1) separates from active service with the fire department; (2) reaches the age of 50 years; (3) completes at least ten five years of active service as an active member of the municipal fire department to which the relief association is associated; (4) completes at least ten five years of active membership with the relief

association ~~prior to~~ before separation from active service; and (5) complies with any additional conditions as to age, service, and membership ~~which~~ that are prescribed by the bylaws of the relief association. The service pension may be paid whether or not the municipality or nonprofit firefighting corporation to which the relief association is associated qualifies for fire state aid under chapter 69. In the case of a member who has completed at least ~~ten~~ five years of active service as an active member of the fire department to which the relief association is associated on the date that the relief association is established and incorporated, the requirement that the member complete at least ~~ten~~ five years of active membership with the relief association ~~prior to~~ before separation from active service may be waived by the board of trustees of the relief association if the member completes at least ~~ten~~ five years of inactive membership with the relief association ~~prior to~~ before the payment of the service pension. During the period of inactive membership, the member ~~shall~~ is not be entitled to receive any disability benefit coverage, ~~shall~~ is not be entitled to receive any additional service credit towards computation of a service pension, and ~~shall~~ be deemed ~~is~~ considered to have the status of a person entitled to a deferred service pension pursuant to under subdivision 7.

No municipality or nonprofit firefighting corporation is ~~authorized to~~ may delegate the power to take final action in setting a service pension or ancillary benefit amount or level to the board of trustees of the relief association or to approve in advance a service pension or ancillary benefit amount or level equal to the maximum amount or level ~~which~~ that this chapter would allow rather than a specific dollar amount or level.

No relief association as defined in section 424A.001, subdivision 4, ~~shall~~ may pay a service pension or disability benefit to ~~any~~ a former member of the relief association if that person has not separated from active service with the fire department to which the relief association is directly associated.

For the purposes of this chapter, "to separate from active service" means to cease to perform fire suppression duties and to cease to supervise fire suppression duties.

Sec. 4. Minnesota Statutes 1988, section 424A.02, subdivision 2, is amended to read:

Subd. 2. [NONFORFEITABLE PORTION OF SERVICE PENSION.] If the articles of incorporation or bylaws of a relief association so provide, a relief association may pay a reduced service pension to a retiring member who has completed fewer than 20 years of service. The reduced service pension may be paid when the retiring member meets the minimum age and service requirements of subdivision 1.

The amount of the reduced service pension shall may not exceed the amount calculated by multiplying the service pension appropriate for the completed years of service as specified in the bylaws times the applicable nonforfeitable percentage of pension. The applicable nonforfeitable percentage of pension amounts are as follows:

Completed Years of Service	Nonforfeitable Percentage of Pension Amount
5	40 percent
6	44 percent
7	48 percent
8	52 percent
9	56 percent
10	60 percent
11	64 percent
12	68 percent
13	72 percent
14	76 percent
15	80 percent
16	84 percent
17	88 percent
18	92 percent
19	96 percent
20 and thereafter	100 percent

Sec. 5. Minnesota Statutes 1988, section 424A.02, subdivision 7, is amended to read:

Subd. 7. [DEFERRED SERVICE PENSIONS.] A member of a relief association to which this section applies is entitled to a deferred service pension if the member:

(1) has completed the lesser of the minimum period of active service with the fire department specified in the bylaws or 20 years of active service with the fire department;

(2) has completed at least ~~ten~~ five years of active membership in the relief association; and

(3) separates from active service and membership ~~prior to~~ before reaching the age of 50 years or the minimum age for retirement and commencement of a service pension specified in the bylaws governing the relief association if that age is greater than the age of 50 years. The deferred service pension shall ~~commence~~ starts when the former member reaches the age of 50 years or the minimum age specified in the bylaws governing the relief association if that age is greater than the age of 50 years and when the former member makes a valid written application. Any A relief association which that provides a lump sum service pension may, when its governing bylaws so provide, pay interest on the deferred lump sum service

pension during the period of deferral. If provided for, interest ~~shall~~ must be paid at the rate actually earned by the relief association, but not to exceed the interest rate specified in section 356.215, subdivision 4d, and ~~shall~~ must be compounded annually based on calendar year balances. ~~The deferred service pension shall be~~ is governed by and ~~shall~~ must be calculated ~~pursuant to any~~ under the general statute, special law, relief association articles of incorporation, or relief association bylaw provisions applicable as of on the date on which the member separated from active service with the fire department and active membership in the relief association.

Sec. 6. Minnesota Statutes 1988, section 424A.02, subdivision 13, is amended to read:

Subd. 13. [COMBINED SERVICE PENSIONS.] If the articles of incorporation or bylaws of the associations so provide, a volunteer firefighter with total service credit of ten years or more, if every affected relief association does not require only a five-year service vesting requirement, or five years or more, if every affected relief association requires only a five-year service vesting requirement, as a member of two or more relief associations is entitled, when otherwise qualified, to a prorated service pension from each association in which the member has ~~two years~~ one year or more of service credit. The prorated service pension must be based on the service pension amount in effect for the relief association on the date volunteer firefighting services covered by that relief association terminate. To receive a service pension under this subdivision, the firefighter must become a member of the second or succeeding association and give notice of membership to the prior association within two years of termination of active service with the prior association. The notice must be attested to by the association secretary.

Sec. 7. Minnesota Statutes 1988, section 424A.10, is amended to read:

424A.10 [STATE SUPPLEMENTAL BENEFIT; VOLUNTEER FIREFIGHTERS.]

Subdivision 1. [DEFINITION.] For purposes of this section, "qualified recipient" means an individual who receives ~~an involuntary~~ a lump sum distribution of pension or retirement benefits from a firefighters' relief association for service performed as a volunteer firefighter.

Subd. 2. [PAYMENT OF SUPPLEMENTAL BENEFIT.] Upon the payment by a firefighters' relief association of ~~an involuntary~~ a lump sum distribution to a qualified recipient, the association must pay a supplemental benefit to the qualified recipient. Notwithstanding any law to the contrary, the relief association may pay the supplemental benefit out of its special fund. The amount of this benefit

equals ten percent of the regular ~~involuntary~~ lump sum distribution that is paid on the basis of service as a volunteer firefighter. In no case may the amount of the supplemental benefit exceed \$1,000.

Subd. 3. [STATE REIMBURSEMENT.] By February 15 of each year, the relief association shall apply to the commissioner of revenue for state reimbursement of the amount of supplemental benefits paid under subdivision 2 during the preceding calendar year. By March 15 the commissioner shall reimburse the relief association for the amount of the supplemental benefits paid to qualified recipients. The commissioner of revenue shall prescribe the form of and supporting information that must be supplied as part of the application for state reimbursement. The reimbursement payment must be deposited in the special fund of the relief association.

Subd. 4. [IN LIEU OF INCOME TAX EXCLUSION.] The supplemental benefit provided by this section is in lieu of the state income tax exclusion for ~~involuntary~~ lump sum distributions of retirement benefits paid to volunteer firefighters. If the law is modified to exclude or exempt volunteer firefighters' lump sum distributions from state income taxation, the supplemental benefits under this section may no longer be paid beginning with the first calendar year in which the exclusion or exemption is effective. This subdivision does not apply to exemption of all or part of a lump sum distribution under section 290.032 or 290.0802.

Sec. 8. [REPEALER.]

Minnesota Statutes 1988, section 424A.01, subdivision 3a, is repealed.

ARTICLE 11

LOCAL POLICE AND FIREFIGHTERS

Section 1. Minnesota Statutes 1988, section 353.64, is amended by adding a subdivision to read:

Subd. 9. [PENSION COVERAGE FOR CERTAIN SHERIFFS' ASSOCIATION EMPLOYEES.] A former member of the association who is an employee of the Minnesota sheriffs' association may elect to be a police and fire fund member with respect to service with the sheriffs' association, if written election to be covered is delivered to the board within 60 days after the effective date of this section or within 60 days after commencement of employment, whichever is later.

Employee and employer contributions for past service are the obligation of the employee, except that the Minnesota sheriffs'

association may pay the employer contributions. The employer shall, in any event, deduct necessary future contributions from the employee's salary and remit all contributions to the association as required by this chapter.

Persons who become association members under this section shall not be eligible for election to the board of trustees.

Sec. 2. Laws 1955, chapter 151, section 13, as amended by Laws 1963, chapter 271, section 7; Laws 1971, chapter 549, section 2; Laws 1980, chapter 600, section 14; and Laws 1983, chapter 47, section 1, is amended to read:

Sec. 13. The association shall pay a pension to the surviving spouse or any child under 18 years of age of any pensioned and retired member, or to the surviving spouse or any child under 18 years of age of any member who dies while in the service of the city police department, or to the surviving spouse or any child under 18 years of age of any member who, after being a member of the city police department for not less than 20 years, severs his or her connection with the department, and dies before attaining the age of 50 years. The association shall pay to any such surviving spouse a pension of ~~20~~ not less than 22½ units nor more than 27½ units per month, as the bylaws of the association provide, subject to Minnesota Statutes, section 69.77, subdivision 2i. The association shall pay to any such child under 18 years of age a pension of five units per month until the child attains the age of 18 years, provided, however, that if such child is married at the time of the death of the member or marries or becomes legally adopted after the death of the member, the child shall not be entitled to such benefits. If the surviving spouse and children reside together, the pension payable to the children shall be paid to the surviving spouse and shall be used for the support of the children. If a surviving spouse remarries, the pension immediately ceases and the association shall not make any further pension payments; provided further that if the remarriage terminates for any reason, the surviving spouse, whose benefit terminated solely because of remarriage, shall be entitled upon reapplication to a surviving spouse's benefit; provided, however, that such person shall not be entitled to retroactive payments for any period of time, prior to the effective date of this act or reapplication, whichever is later. For the purposes of this section, all provisions governing a child under 18 shall be extended to include a full time student under the age of 23.

Sec. 3. [AMENDMENT AUTHORIZED.]

Subdivision 1. [AUTHORIZATION.] Subject to Minnesota Statutes, section 69.77, subdivision 2i, the Mankato fire department relief association may amend its constitution and bylaws to provide for payment of disability benefits to active regular salaried firefighters who, because of medically determinable sickness or injury, are

unable to perform their duties as firefighters, regardless of whether the sickness was caused in the performance of duty or the injury occurred while on duty.

Subd. 2. [REGULAR SALARIED FIREFIGHTER NONDUTY DISABILITY BENEFIT AMOUNT.] The nonduty disability benefit for regular salaried firefighters must not exceed the amount of the duty disability benefit.

Sec. 4. Laws 1982, chapter 574, section 5, as amended by Laws 1985, chapter 261, section 16, is amended to read:

Sec. 5. [VIRGINIA POLICE; BENEFIT CHANGES FOR PARTICIPANTS.]

If the bylaws so authorize, the following changes shall be effective:

(a) The service pension payable to persons who retired from the police department on or before January 12, 1966, shall be supplemented by ~~\$100~~ \$200 per month.

(b) For any participant who terminated employment after 20 ~~or more~~ years of service, the amount of the monthly service pension payable after the participant has attained the age of at least 50 years shall be equal to ~~one-half~~ 50 percent of the prevailing pay of a police officer of the rank and position held by the participant for a period of at least six months prior to termination of service, or to the rank and position most analogous thereto, plus an additional one percent for each full year of service in excess of 20 years to a maximum of 60 percent, payable by the police department in each month during which the retired participant receives a service pension.

(c) The amount of a monthly disability pension shall be equal to one-half of the prevailing pay of a police officer of the rank and position held by the participant for a period of at least six months prior to his or her disability or the rank and position most analogous thereto, payable by the police department in each month during the period of the participant's disability, subject to any integration of benefits. Disability pensions payable for disabilities incurred on or before January 11, 1967, are increased by \$100 per month.

(d) The benefit paid to the surviving spouse of a participant who died on or before January 11, 1967, shall be increased by ~~\$50~~ \$100 per month, with benefits payable until the surviving spouse's death or remarriage.

(e) The benefit paid to a surviving child shall be increased to \$50 per child per month, subject to any limitation placed on the total amount of survivor's benefits.

Sec. 5. [MINNETONKA VOLUNTEER FIREFIGHTERS RELIEF ASSOCIATION; INCREASED NONFORFEITABLE SERVICE PENSION PERCENTAGE.]

Notwithstanding any provision of Minnesota Statutes, section 424A.02, subdivision 2, to the contrary, if the articles of incorporation or the bylaws of the relief association so provide, subject to Minnesota Statutes, section 424A.02, subdivision 10, the Minnetonka volunteer firefighters relief association may pay a service pension to a retiring member who meets the minimum age, service, and other requirements of Minnesota Statutes, section 424A.02, subdivision 1. The amount of the service pension is that portion of a service pension payable with 20 years of service that full years of service credited by the relief association bear to 20 years of service.

Sec. 6. [EVELETH POLICE AND FIREFIGHTERS; BENEFIT INCREASE.]

Notwithstanding any general or special law to the contrary, in addition to other benefits payable, retirement benefits payable to retired police officers and firefighters and their surviving spouses by the Eveleth police and fire trust fund may be increased by \$100 a month. Increases may be made retroactive to January 1, 1989.

Sec. 7. [BLOOMINGTON VOLUNTEER FIREFIGHTERS RELIEF ASSOCIATION; DUTY DISABILITY BENEFIT.]

Notwithstanding any provision of Minnesota Statutes, section 424A.02, subdivision 9, or any other law to the contrary, the Bloomington firefighters relief association may provide a duty disability benefit to a volunteer firefighter who:

(1) becomes disabled from a medically determinable injury or illness arising out of or occurring in the course of the line of duty;

(2) is not entitled to the immediate receipt of a service pension equal to the amount of a service pension payable to a retiring firefighter with 20 years of service; and

(3) complies with any other requirement specified in the bylaws of the association.

The duty disability benefit must be equal to the amount of the service pension payable to a retiring firefighter with 20 years of service.

A Bloomington volunteer firefighter who has received a duty-related disability benefit and who returns to active firefighting duties with the Bloomington fire department must accrue service credit towards a service pension for the period of the receipt of the duty-related disability benefit.

Sec. 8. [NONDUTY DISABILITY BENEFIT.]

The Bloomington firefighters relief association may provide a volunteer firefighter who becomes disabled from an injury or illness not arising out of or not occurring in the course of the line of duty with a disability benefit as the bylaws of the relief association specify, subject to the provisions of Minnesota Statutes, section 424A.02, subdivision 9.

Sec. 9. Laws 1965, chapter 446, section 2, is amended to read:

Sec. 2. [DUTY-RELATED DEATH SURVIVOR BENEFITS.]

Notwithstanding Minnesota Statutes, section 424A.02, subdivision 9, or any other provision of law to the contrary and in lieu of the widows pension surviving spouse benefit provided in Minnesota Statutes, Section 424.24; the firemen's firefighters relief association in the city of Bloomington may provide a pension surviving spouse benefit to the widow surviving spouse of a volunteer fireman firefighter who dies as the result of an injury or illness arising out of or in the course of the line of duty, if the surviving spouse qualifies under the terms of Minnesota Statutes, Section 424.24, of not more than a sum. The surviving spouse benefit must not exceed an amount equal to one fourth of the salary as payable from time to time during the period of pension payment to policemen of the highest grade, not including officers of the police department, in the employ of the city, such pension to three-quarters of the amount of the service pension payable to a retiring firefighter with 20 years of service. The surviving spouse benefit must be paid as the bylaws of the association provide for her natural life; provided that if she remarries, such pension shall upon remarriage, the surviving spouse benefit must cease to accrue and terminate as of the date of her remarriage.

In event If there is a surviving child or there are surviving children of a deceased firefighter who suffered a duty-related death as provided in Minnesota Statutes, Section 424.24, the firemen's relief association of the city of Bloomington may provide for a pension of not more than four percent of the monthly salary as payable from time to time during the period of pension payment to policemen of the highest grade, not including officers of the department, in the employ of the city, surviving child benefit. The surviving child benefit must not exceed an amount equal to 12 percent of the amount of the service pension payable to a retiring firefighter with 20 years of service for each child up to the time each child reaches the age of not less than 16 years or more than 18 years as the bylaws of the association provide; provided. The total pension hereunder survivor benefits for the widow surviving spouse and children of the deceased member shall not exceed one third of the monthly salary of a policeman of the highest grade, not including officers of the police department, in the employ of the municipality the amount of the service pension payable to a retiring firefighter with 20 years of service during the period of the pension payment.

Sec. 10. Laws 1965, chapter 446, section 3, is amended to read:

Sec. 3. [DUTY-RELATED DEATH SURVIVING CHILD BENEFITS IN CERTAIN INSTANCES.] The firemen's Bloomington firefighters relief association of the city of Bloomington may provide a pension surviving child benefit for the child or the children of a deceased members member with a duty-related death after the death of their mothers the surviving spouse, of such the amount as the board of trustees of the association shall deem considers necessary to properly support such the child or the children until they reach an the age of not more than 18, as the bylaws of the association provide; provided. The total pension hereunder surviving child benefit for the child or the children of the deceased member shall not exceed a sum an amount equal to one third of the monthly salary of a policeman of the highest grade, not including officers of the police department, in the employ of the municipality the amount of the service pension payable to a retiring firefighter with 20 years of service during the period of the pension survivor benefit payment.

Sec. 11. [NONDUTY-RELATED DEATH SURVIVOR BENEFITS.]

The Bloomington firefighters relief association may provide the surviving spouse, surviving child or surviving children of a volunteer firefighter who dies from an injury or illness not arising out of or not occurring in the course of the line of duty with a survivor benefit as the bylaws of the relief association specify, subject to the provisions of Minnesota Statutes, section 424A.02, subdivision 9.

Sec. 12. [BYLAW AMENDMENT.]

The St. Paul police relief association and the St. Paul fire department relief association shall amend their articles of incorporation and bylaws to ensure that retired members of the police department and fire department are represented on the board of directors of the St. Paul police relief association and the board of trustees of the St. Paul fire department relief association in the same proportion that the number of retired members in each relief association bears to the total membership of each relief association. However, retired members of the St. Paul police relief association and the St. Paul fire department relief association are never entitled under the articles of incorporation or bylaws to more seats on the board of directors than the active members of the respective associations.

Sec. 13. [REPEALER.]

Laws 1967, chapter 815; Laws 1978, chapter 683; and Laws 1981, chapter 224, sections 2 and 5, are repealed.

Sec. 14. [EFFECTIVE DATES.]

Subdivision 1. Section 2 is effective upon approval by the St. Paul

city council and compliance with Minnesota Statutes, section 645.021, subdivision 3.

Subd. 2. Section 3 is effective upon approval by the Mankato city council and compliance with Minnesota Statutes, section 645.021, subdivision 3.

Subd. 3. Section 4 is effective upon approval by the Virginia city council and compliance with Minnesota Statutes, section 645.021, subdivision 3.

Subd. 4. Section 5 is effective upon approval by the governing body of the city of Minnetonka and compliance with Minnesota Statutes, section 645.021, subdivision 3.

Subd. 5. Section 6 is effective upon approval by the Eveleth city council and compliance with Minnesota Statutes, section 645.021, subdivision 3.

Subd. 6. Sections 7 to 11 are effective upon approval by the governing body of the city of Bloomington and compliance with Minnesota Statutes, section 645.021, subdivision 3.

Subd. 7. Sections 12 and 13 are effective the day following final enactment.

Subd. 8. Section 1 is effective July 1, 1989.

ARTICLE 12

HIGHER EDUCATION SUPPLEMENTAL PLAN

Section 1. Minnesota Statutes 1988, section 136.80, subdivision 1, is amended to read:

Subdivision 1. ~~A~~ The supplemental retirement plan for personnel employed by the state university board and the state board for community colleges who are in the unclassified service of the state commencing July 1 following the completion of the second year of their full time contract is hereby established and shall be governed pursuant to sections 136.81 to 136.85. ~~Any~~ An unclassified employee who is employed by the state university board or the state board for community colleges in subsidized on-the-job training, work experience, or public service employment as an enrollee under the federal comprehensive employment and training act shall ~~may~~ not be included in the supplemental retirement plan provided for in sections 136.81 to 136.85 ~~from and~~ after March 30, 1978, unless the unclassified employee has as of the later of March 30, 1978, or the date of employment sufficient service credit in the retirement fund providing primary retirement coverage to meet the minimum vest-

ing requirements for a deferred retirement annuity, or the board agrees in writing to make the employer contribution required by section 136.81 on account of that unclassified employee from revenue sources other than funds provided under the federal comprehensive employment and training act, or the unclassified employee agrees in writing to make the employer contribution required by section 136.81 in addition to the member contribution.

Sec. 2. Minnesota Statutes 1988, section 136.81, subdivision 1, is amended to read:

Subdivision 1. [DEDUCTIONS.] ~~There shall be deducted~~ The state university board and the state board for community colleges shall deduct from the salary of each person described in section 136.80, subdivision 1, a sum equal to five percent of the portion of the person's annual salary paid between \$6,000 and \$15,000. The deduction is to must be made in the same manner as other retirement deductions are made from the salary of the person only after the first \$6,000 has been paid in a fiscal year. The state employer shall make a contribution to the plan on behalf of every covered person in an amount equal to the deductions made from the salary of the person. If an agreement is made under section 356.24 for additional employer contributions, an amount equal to the additional employer contribution must be deducted from the person's annual salary above \$15,000 as specified in this subdivision. The moneys so money deducted and the state contribution shall must be deposited to the credit of the state university and community college supplemental retirement plan account of the teachers retirement fund. The account is hereby established and shall must be separate and distinct from other funds, accounts, or assets of the teachers retirement fund. The money required to meet the obligation of the state employer as provided in this subdivision shall must be contributed to the executive director of the teachers retirement association by the state employer.

~~Any Deductions which are taken from the salary of a person for the supplemental retirement plan in error shall must, upon discovery and verification, be refunded to the person. The retirement board shall establish a reserve which shall reflect reflecting any gains or losses realized due to the purchase and redemption of shares representing salary deductions and state employer contributions which were made in error. The balance of the reserve shall must be credited annually to the cancellation reserve established pursuant to under section 136.82, subdivision 1, clause (5).~~

If any payroll deductions which are required pursuant to under this section are omitted, the deductions shall must be remitted to the supplemental retirement plan investment account of the teachers retirement association within one year from the end of the fiscal year in which the deductions were due, and, at the time of the receipt

of the omitted deductions, the required state contribution ~~shall then~~ must be made.

Sec. 3. Minnesota Statutes 1988, section 356.24, is amended to read:

356.24 [SUPPLEMENTAL PENSION OR DEFERRED COMPENSATION PLANS, RESTRICTIONS UPON GOVERNMENT UNITS.]

(a) It is unlawful for a school district or other governmental subdivision or state agency to levy taxes for, or contribute public funds to a supplemental pension or deferred compensation plan that is established, maintained, and operated in addition to a primary pension program for the benefit of the governmental subdivision employees other than:

(1) to a supplemental pension plan that was established, maintained, and operated before May 6, 1971;

(2) to a plan that provides solely for group health, hospital, disability, or death benefits, to the individual retirement account plan established by sections 354B.01 to 354B.04;

(3) to a plan that provides solely for severance pay under section 465.72 to a retiring or terminating employee; or

(4) for employees other than personnel employed by the state university board or the community college board and covered by section 136.80, subdivision 1, to the state of Minnesota deferred compensation plan under section 352.96, if provided for in a personnel policy or in the collective bargaining agreement of the public employer with the exclusive representative of public employees in an appropriate unit, in an amount matching employee contributions on a dollar for dollar basis, but not to exceed an employer contribution of \$2,000 a year per employee; or

(5) for personnel employed by the state university board or the community college board and covered by section 136.80, subdivision 1, to the supplemental retirement plan under sections 136.80 to 136.85, if provided for in a personnel policy or in the collective bargaining agreement of the public employer with the exclusive representative of the covered employees in an appropriate unit, in an amount matching employee contributions on a dollar for dollar basis, but not to exceed an employer contribution of \$2,000 a year for each employee.

(b) No change in benefits or employer contributions in a supplemental pension plan to which this section applies after May 6, 1971, is effective without prior legislative authorization.

ARTICLE 13
BENEFIT CHANGES

Section 1. Minnesota Statutes 1988, section 352.01, subdivision 19, is amended to read:

Subd. 19. [RETIEMENT.] "Retirement" means the time after a state employee is entitled to an accrued annuity, as defined in subdivision 21, payable under an application for annuity filed in the office of the system as provided in section 352.115, subdivision 8 or, in the case of an employee who has received a disability benefit, when that employee reaches normal retirement age 65.

Sec. 2. Minnesota Statutes 1988, section 352.01, is amended by adding a subdivision to read:

Subd. 25. [NORMAL RETIREMENT AGE.] "Normal retirement age" means age 65 for a person who first became a covered employee before July 1, 1989. For a person who first becomes a covered employee after June 30, 1989, normal retirement age means the higher of age 65 or "retirement age," as defined in United States Code, title 42, section 416(l), as amended.

Sec. 3. Minnesota Statutes 1988, section 352.04, subdivision 2, is amended to read:

Subd. 2. [EMPLOYEE CONTRIBUTIONS.] The employee contribution to the fund must be equal to ~~3.73~~ 4.34 percent of salary, beginning with the first full pay period after June 30, 1984 1989. These contributions must be made by deduction from salary as provided in subdivision 4.

Sec. 4. Minnesota Statutes 1988, section 352.04, subdivision 3, is amended to read:

Subd. 3. [EMPLOYER CONTRIBUTIONS.] The employer contribution to the fund must be equal to ~~3.90~~ 4.51 percent of salary beginning with the first full pay period after June 30, 1984 1989.

Sec. 5. Minnesota Statutes 1988, section 352.113, subdivision 1, is amended to read:

Subdivision 1. [AGE AND SERVICE REQUIREMENTS.] Any employee covered by the system who is less than ~~65 years old~~ normal retirement age who becomes totally and permanently disabled after ~~five~~ three or more years of allowable service is entitled to a disability benefit in an amount provided in subdivision 3. If the disabled employee's state service has terminated at any time, the employee

must have at least three two years of allowable service after last becoming a state employee covered by the system.

Sec. 6. Minnesota Statutes 1988, section 352.113, subdivision 12, is amended to read:

Subd. 12. [RETIREMENT STATUS AT NORMAL RETIREMENT AGE 65.] The disability benefit paid to a disabled employee under this section ends when the employee reaches normal retirement age 65. If the disabled employee is still totally and permanently disabled when the employee reaches normal retirement age 65, the employee shall be considered to be a retired employee. If the employee had chosen an optional annuity under subdivision 3, the employee shall receive an annuity in accordance with the terms of the optional annuity previously chosen. If the employee had not chosen an optional annuity pursuant to subdivision 3, the employee may then choose to receive either a normal retirement annuity equal in amount to the disability benefit paid before the employee reached normal retirement age 65 or an optional annuity as provided in section 352.116, subdivision 3. The choice of an optional annuity must be made before reaching normal retirement age 65. If an optional annuity is chosen, the choice is effective on the date the employee becomes 65 years old attains normal retirement age and the optional annuity shall begin to accrue the first of the month following the month in which the employee attains 65 this age.

Sec. 7. Minnesota Statutes 1988, section 352.115, subdivision 1, is amended to read:

Subdivision 1. [AGE AND SERVICE REQUIREMENTS.] After separation from state service, any employee (1) who has attained the age of at least 55 years and who is entitled to credit for at least five three years allowable service, or (2) who has received credit for at least 30 years allowable service regardless of age, is entitled upon application to a retirement annuity.

Sec. 8. Minnesota Statutes 1988, section 352.115, subdivision 2, is amended to read:

Subd. 2. [AVERAGE SALARY.] The retirement annuity hereunder payable at normal retirement age 65 or thereafter must be computed in accordance with the applicable provisions of the formula stated in subdivision 3, on the basis of the employee's average salary for the period of allowable service. This retirement annuity is known as the "normal" retirement annuity.

For each year of allowable service, "average salary" of an employee in determining a retirement annuity means the average of the highest five successive years of salary upon which the employee has made contributions to the retirement fund by payroll deductions.

Average salary must be based upon all allowable service if this service is less than five years.

“Average salary” does not include the payment of accrued unused annual leave or overtime paid at time of final separation from state service if paid in a lump sum nor does it include the reduced salary, if any, paid during the period the employee is entitled to workers’ compensation benefit payments for temporary disability.

Sec. 9. Minnesota Statutes 1988, section 352.115, subdivision 3, is amended to read:

Subd. 3. [RETIREMENT ANNUITY FORMULA.] (a) This paragraph, in conjunction with section 352.116, subdivision 1, applies to a person who became a covered employee before July 1, 1989, unless paragraph (b), in conjunction with section 352.116, subdivision 1a, produces a higher annuity amount, in which case paragraph (b) will apply. The employee’s average salary, as defined in subdivision 2, multiplied by one percent per year of allowable service for the first ten years and 1.5 percent for each later year of allowable service and pro rata for completed months less than a full year shall determine the amount of the retirement annuity to which the employee is entitled.

(b) This paragraph applies to a person who first became a covered employee after June 30, 1989, and to any other employee whose annuity amount, when calculated under this paragraph and in conjunction with section 352.116, subdivision 1a, is higher than it is when calculated under paragraph (a), in conjunction with section 352.116, subdivision 1. The employee’s average salary, as defined in subdivision 2, multiplied by 1.5 percent for each year of allowable service and pro rata for months less than a full year shall determine the amount of the retirement annuity to which the employee is entitled.

Sec. 10. Minnesota Statutes 1988, section 352.116, is amended to read:

352.116 [ANNUITIES UPON RETIREMENT.]

Subdivision 1. [REDUCED ANNUITY BEFORE NORMAL RETIREMENT AGE 65.] This subdivision applies only to a person who first became a covered employee before July 1, 1989, and whose annuity is higher when calculated under section 352.115, subdivision 3, paragraph (a), in conjunction with this subdivision than when calculated under section 352.115, subdivision 3, paragraph (b), in conjunction with subdivision 1a.

(a) Any employee who is eligible for a retirement annuity under section 352.115, subdivision 1, and who retires before normal

retirement age 65 with credit for less than at least three but less than 30 years of allowable service shall be paid the normal retirement annuity provided in section 352.115, subdivisions 2 and 3, paragraph (a), reduced so that the reduced annuity is the actuarial equivalent of the annuity that would be payable to by one-quarter of one percent for each month that the employee if the employee deferred receipt of the annuity from the day the annuity begins to accrue to is under normal retirement age 65 at the time of retirement. Any An employee who is eligible for a retirement annuity under section 352.115, subdivision 1, and who retires prior to age 62 with credit for at least 30 years of allowable service shall be paid the normal retirement annuity provided in section 352.115, subdivisions 2 and 3, paragraph (a), reduced so that the reduced annuity is the actuarial equivalent of the annuity that would be payable to the employee if the employee deferred receipt of the annuity from the day the annuity begins to accrue to by one-quarter of one percent for each month that the employee is under age 62 at the time of retirement.

(b) Any person whose attained age plus credited allowable service totals 90 years is entitled, upon application, to a retirement annuity in an amount equal to the normal annuity provided in section 352.115, subdivisions 2 and 3, paragraph (a), without any reduction by reason of early retirement.

Subd. 1a. [ACTUARIAL REDUCTION FOR EARLY RETIREMENT.] This subdivision applies to a person who first became a covered employee after June 30, 1989, and to any other employee whose annuity is higher when calculated under section 352.115, subdivision 3, paragraph (b), in conjunction with this subdivision than when calculated under section 352.115, subdivision 3, paragraph (a), in conjunction with subdivision 1. An employee who retires before the normal retirement age shall be paid the normal retirement annuity provided in section 352.115, subdivisions 2 and 3, paragraph (b), reduced so that the reduced annuity is the actuarial equivalent of the annuity that would be payable to the employee if the employee deferred receipt of the annuity and the annuity amount were augmented at an annual rate of three percent compounded annually from the day the annuity begins to accrue until the normal retirement age.

Subd. 2. [NORMAL ANNUITY AT NORMAL RETIREMENT AGE 65.] Any employee who retires after reaching normal retirement age 65 shall be paid the annuity provided in section 352.115.

Subd. 3. [OPTIONAL ANNUITIES.] The board shall establish an optional retirement annuity in the form of a joint and survivor annuity. The board may also establish an optional annuity in the form of an annuity payable for a period certain and for life thereafter or establish an optional annuity which takes the form of a joint and survivor annuity providing that, if after the joint and survivor

annuity becomes payable, the person with the designated remainder interest in the annuity dies before the former member, the annuity amount must be reinstated to a normal single life annuity amount as of the first day of the month after the day the person dies. In addition, the board may also establish an optional annuity that takes the form of an annuity calculated on the basis of the age of the retired employee at retirement and payable for the period before the retired employee becomes eligible for social security old age retirement benefits in a greater amount than the amount of the annuity calculated under subdivision 2 on the basis of the age of the retired employee at retirement but equal so far as possible to the social security old age retirement benefit and the adjusted retirement annuity amount payable immediately after the retired employee becomes eligible for social security old age retirement benefits and payable for the period after the retired employee becomes eligible for social security old age retirement benefits in an amount less than the amount of the annuity calculated under subdivisions 2 and 3. The social security leveling option may be calculated based on broad average social security old age retirement benefits. Except as provided in subdivision 3a, the optional forms must be actuarially equivalent to the normal single life annuity forms provided in sections 352.115 and 352.116, whichever applies.

Subd. 3a. [BOUNCE-BACK ANNUITY.] (a) If a retired employee or disabilitant selects a joint and survivor annuity option under subdivision 3, the retired employee or disabilitant must receive a normal single-life annuity if the designated optional annuity beneficiary dies before the retired employee or disabilitant. Under this option, no reduction may be made in the annuity to provide for restoration of the normal single-life annuity in the event of the death of the designated optional annuity beneficiary.

(b) A retired employee or disabilitant who selected an optional joint and survivor annuity before July 1, 1989, but did not choose an option that provides that the normal single-life annuity is payable to the retired employee or the disabilitant if the designated optional annuity beneficiary dies first, is eligible for restoration of the normal single-life annuity if the designated optional annuity beneficiary dies first, without further actuarial reduction of the person's annuity. A retired employee or disabilitant who selected an optional joint and survivor annuity, but whose designated optional annuity beneficiary died before July 1, 1989, shall receive a normal single-life annuity after that date, but shall not receive retroactive payments for periods before that date.

(c) A retired employee or disabilitant who took a further actuarial reduction to elect an optional joint and survivor annuity that provides that the normal annuity is payable to the retired employee or disabilitant if the designated optional beneficiary died before July 1, 1989, shall have the annuity increased as of July 1, 1989, to the amount the person would have received if, at the time of

retirement or disability, the person had selected only optional survivor coverage that would not have provided for restoration of the normal annuity upon the death of the designated optional annuity beneficiary. Any annuity or benefit increase under this paragraph is effective only for payments made after June 30, 1989, and is not retroactive for payments made before July 1, 1989.

Subd. 4. [DETERMINING ACTUARIAL EQUIVALENCY.] In establishing the procedure for determining the actuarial equivalency of early retirement annuities as required under subdivision 1 1a or in establishing actuarial equivalent optional retirement annuity forms as required under subdivision 3, the board shall obtain the written recommendation of the commission-retained actuary. The recommendations shall be a part of the permanent records of the board.

Sec. 11. Minnesota Statutes 1988, section 352.12, subdivision 1, is amended to read:

Subdivision 1. [DEATH BEFORE TERMINATION OF SERVICE.] If an employee dies before state service has terminated and neither a survivor annuity nor a reversionary annuity is payable, or if a former employee who has sufficient service credit to be entitled to an annuity dies before the benefit has become payable, the director shall make a refund to the last designated beneficiary or, if there is none, to the surviving spouse or, if none, to the employee's surviving children in equal shares or, if none, to the employee's surviving parents in equal shares or, if none, to the representative of the estate in an amount equal to the accumulated employee contributions plus interest thereon to the date of death at the rate of five ~~six~~ percent per annum compounded annually. Upon the death of an employee who has received a refund that was later repaid in full, interest must be paid on the repaid refund only from the date of repayment. If the repayment was made in installments, interest must be paid only from the date installment payments began. The designated beneficiary, surviving spouse, or representative of the estate of an employee who had received a disability benefit is not entitled to interest upon any balance remaining to the decedent's credit in the fund at the time of death.

Sec. 12. Minnesota Statutes 1988, section 352.12, subdivision 2, is amended to read:

Subd. 2. [SURVIVING SPOUSE BENEFIT.] If an employee or former employee is at least 50 years old and has credit for at least five ~~three~~ years allowable service or who has credit for at least 30 years of allowable service, regardless of age, dies before an annuity or disability benefit has become payable, notwithstanding any designation of beneficiary to the contrary, the surviving spouse of the employee may elect to receive, in lieu of the refund with interest provided in subdivision 1, an annuity equal to the joint and 100

percent survivor annuity which the employee could have qualified for had the employee terminated service on the date of death. The surviving spouse may apply for the annuity at any time after the date on which the deceased employee would have attained the required age for retirement based on the employee's allowable service. The annuity must be computed as provided in sections 352.115, subdivisions 1, 2, and 3, and 352.116, subdivisions 1, 1a, and 3. Sections 352.22, subdivision 3, and 352.72, subdivision 2, apply to a deferred annuity payable under this subdivision. The annuity must cease with the last payment received by the surviving spouse in the lifetime of the surviving spouse. An amount equal to the excess, if any, of the accumulated contributions credited to the account of the deceased employee in excess of the total of the benefits paid and payable to the surviving spouse must be paid to the deceased employee's last designated beneficiary or, if none, to the surviving children of the deceased spouse in equal shares or, if none, to the surviving parents of the deceased spouse or, if none, to the representative of the estate of the deceased spouse. Any employee may request in writing that this subdivision not apply and that payment be made only to a designated beneficiary as otherwise provided by this chapter.

Sec. 13. Minnesota Statutes 1988, section 352.12, subdivision 6, is amended to read:

Subd. 6. [DEATH AFTER SERVICE TERMINATION.] Except as provided in subdivision 1, if a former employee covered by the system dies and has not received an annuity, a retirement allowance, or a disability benefit, a refund must be made to the last designated beneficiary or, if there is none, to the surviving spouse or, if none, to the employee's surviving children in equal shares or, if none, to the employee's surviving parents in equal shares or, if none, to the representative of the estate in an amount equal to accumulated employee contributions. The refund must include interest at the rate of five six percent per year compounded annually. The interest must be computed to the first day of the month in which the refund is processed and be based on fiscal year balances.

Sec. 14. Minnesota Statutes 1988, section 352.22, subdivision 2, is amended to read:

Subd. 2. [AMOUNT OF REFUND.] Except as provided in subdivision 3, any person who ceased to be a state employee after June 30, 1973, by reason of termination of state service shall receive a refund in an amount equal to employee accumulated contributions plus interest at the rate of five six percent per year compounded annually. Interest must be computed to the first day of the month in which the refund is processed and must be based on fiscal year balances.

Sec. 15. Minnesota Statutes 1988, section 352.22, subdivision 3, is amended to read:

Subd. 3. [DEFERRED ANNUITY.] (a) Any employee with at least ~~five~~ three years of allowable service when termination occurs may elect to leave the accumulated contributions in the fund and thereby be entitled to a deferred retirement annuity. This annuity must be computed as provided by the law in effect when state service terminated, on the basis of allowable service before termination of service.

(b) An employee on layoff or on leave of absence without pay, except a leave of absence for health reasons, who does not return to state service shall have any annuity, deferred annuity, or other benefit to which the employee may become entitled computed under the law in effect on the last working day.

(c) No application for a deferred annuity shall be made more than 60 days before the time the former employee reaches the required age for entitlement to the payment of the annuity. The deferred annuity shall begin to accrue no earlier than 60 days before the date the application is filed in the office of the system, but not (1) before the date the employee reaches the required age for entitlement to the annuity nor (2) before the day following the termination of state service in a position not covered by the retirement system nor (3) before the day following the termination of employment in a position that requires the employee to be a member of either the public employees retirement association or the teachers retirement association.

(d) Application for the accumulated contributions left on deposit with the fund may be made at any time after 30 days following the date of termination of service.

Sec. 16. Minnesota Statutes 1988, section 352.72, subdivision 1, is amended to read:

Subdivision 1. [ENTITLEMENT TO ANNUITY.] (a) Any person who has been an employee covered by a retirement system listed in paragraph (b) is entitled when qualified to an annuity from each fund if total allowable service in all funds or in any two of these funds totals ~~five~~ three or more years.

(b) This section applies to the Minnesota state retirement system, the public employees retirement association including the public employees retirement association police and firefighters fund, the teachers retirement association, the state patrol retirement association, or any other public employee retirement system in the state with a similar provision, except as noted in paragraph (c).

(c) This section does not apply to other funds providing benefits for police officers or firefighters.

(d) No portion of the allowable service upon which the retirement annuity from one fund is based shall be again used in the computation for benefits from another fund. No refund may have been taken from any one of these funds since service entitling the employee to coverage under the system or the employee's membership in any of the associations last terminated. The annuity from each fund must be determined by the appropriate provisions of the law except that the requirement that a person must have at least five three years allowable service in the respective system or association does not apply for the purposes of this section if the combined service in two or more of these funds equals five three or more years.

Sec. 17. Minnesota Statutes 1988, section 352.72, subdivision 2, is amended to read:

Subd. 2. [COMPUTATION OF DEFERRED ANNUITY.] The deferred annuity, if any, accruing under subdivision 1, or section 352.22, subdivision 3, must be computed as provided in section 352.22, subdivision 3, on the basis of allowable service before termination of state service and augmented as provided herein. The required reserves applicable to a deferred annuity or to an annuity for which a former employee was eligible but had not applied or to any deferred segment of an annuity must be determined as of the date the benefit begins to accrue and augmented by interest compounded annually from the first day of the month following the month in which the employee ceased to be a state employee, or July 1, 1971, whichever is later, to the first day of the month in which the annuity begins to accrue. The rates of interest used for this purpose must be five percent compounded annually until January 1, 1981, and after that date three percent compounded annually thereafter until January 1 of the year following the year in which the former employee attains age 55. From that date to the effective date of retirement, the rate is five percent compounded annually. If a person has more than one period of uninterrupted service, the required reserves related to each period must be augmented by interest under this subdivision. The sum of the augmented required reserves so determined is the present value of the annuity. "Uninterrupted service" for the purpose of this subdivision means periods of covered employment during which the employee has not been separated from state service for more than two years. If a person repays a refund, the service restored by the repayment must be considered continuous with the next period of service for which the employee has credit with this system. The formula percentages used for each period of uninterrupted service must be those applicable to a new employee. The mortality table and interest assumption used to compute the annuity must be those in effect when the employee

files application for annuity. This section shall not reduce the annuity otherwise payable under this chapter.

Sec. 18. Minnesota Statutes 1988, section 352.72, subdivision 5, is amended to read:

Subd. 5. [EARLY RETIREMENT.] The requirements and provisions for retirement before normal retirement age 65 in sections 352.115, subdivision 1, and 352.116 also apply to an employee fulfilling the requirements with a combination of service as provided in subdivision 1.

Sec. 19. Minnesota Statutes 1988, section 352.85, subdivision 1, is amended to read:

Subdivision 1. [ELIGIBILITY; RETIREMENT ANNUITY.] Any person who is employed by the department of military affairs other than as a full-time firefighter, who is covered by the general employee retirement plan of the system as provided in section 352.01, subdivision 23, who is ordered to active duty under section 190.08, subdivision 3, who elects this special retirement coverage under subdivision 4, who is required to retire from federal military status at an age earlier than normal retirement age 65 by applicable federal laws or regulations and who terminates employment as a state employee upon attaining that mandatory retirement age is entitled, upon application, to a retirement annuity computed in accordance with section 352.115, subdivisions 2 and 3, without any reduction for early retirement under section 352.116, subdivision 1 or la.

Sec. 20. Minnesota Statutes 1988, section 352.93, subdivision 1, is amended to read:

Subdivision 1. [BASIS OF ANNUITY; WHEN TO APPLY.] After separation from state service an employee covered under section 352.91 who has reached age 55 years and has credit for at least five three years of covered correctional service and regular Minnesota state retirement system service is entitled upon application to a retirement annuity under this section based only on covered correctional employees' service. Application may be made no earlier than 60 days before the date the employee is eligible to retire by reason of both age and service requirements.

In this section, "average salary" means the average of the monthly salary during the employees' highest five successive years of salary as an employee covered by the Minnesota state retirement system. Average salary must be based upon all allowable service if this service is less than five years.

Sec. 21. Minnesota Statutes 1988, section 352.93, subdivision 3, is amended to read:

Subd. 3. [PAYMENTS; DURATION AND AMOUNT.] The annuity under this section shall begin to accrue as provided in section 352.115, subdivision 8, and must be paid for an additional 84 full calendar months or to the first of the month following the month in which the employee becomes attains normal retirement age 65, whichever occurs first, except that payment must not cease before the first of the month following the month in which the employee becomes 62. It must then be reduced to the amount as calculated under section 352.115, except that if this amount, when added to the social security benefit based on state service the employee is eligible to receive at the time, is less than the benefit payable under subdivision 2, the retired employee shall receive an amount that when added to the social security benefit will equal the amount payable under subdivision 2.

When an annuity is reduced under this subdivision, the percentage adjustments, if any, that have been applied to the original annuity under section 11A.18, before the reduction, must be compounded and applied to the reduced annuity. A former correctional employee employed by the state in a position covered by the regular plan between the ages age of 58 and 65 normal retirement age shall receive a partial return of correctional contributions at retirement with five six percent interest based on the following formula:

Employee contributions contributed as a correctional employee in excess of the contributions the employee would have contributed as a regular employee	X	Years and complete months of regular service between ages age 58 and 65 the normal retirement age 7 number of years between age 58 and normal retirement age
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Sec. 22. Minnesota Statutes 1988, section 352.95, subdivision 2, is amended to read:

Subd. 2. [NONJOB-RELATED DISABILITY.] Any covered correctional employee who, after at least five three years of covered correctional service, before reaching the age of 55 becomes disabled and physically unfit to perform the duties of the position because of sickness or injury occurring while not engaged in covered employment, is entitled to a disability benefit based on covered correctional service only. The disability benefit must be computed as provided in section 352.93, subdivisions 1 and 2, and computed as though the employee had at least ten years of covered correctional service.

Sec. 23. Minnesota Statutes 1988, section 352.95, subdivision 5, is amended to read:

Subd. 5. [RETIREMENT STATUS AT NORMAL RETIREMENT AGE 65.] The disability benefit paid to a disabled correctional employee under this section shall terminate at the end of the month in which the employee reaches age 62. If the disabled correctional employee is still disabled when the employee reaches age 62, the employee shall be deemed to be a retired employee. If the employee had elected an optional annuity under subdivision 1a, the employee shall receive an annuity in accordance with the terms of the optional annuity previously elected. If the employee had not elected an optional annuity under subdivision 1a, the employee may then either elect to receive a normal retirement annuity computed in the manner provided in section 352.115 or elect to receive an optional annuity as provided in section 352.116, subdivision 3, based on the same length of service as used in the calculation of the disability benefit. Election of an optional annuity must be made before reaching age 62. The reduction for retirement before normal retirement age 65 as provided in section 352.116, subdivision 1 or 1a, does not apply. The savings clause provision of section 352.93, subdivision 3, applies. If an optional annuity is elected, the optional annuity shall begin to accrue on the first of the month following the month in which the employee reaches age 62.

Sec. 24. Minnesota Statutes 1988, section 352B.01, subdivision 11, is amended to read:

Subd. 11. [AVERAGE SALARY.] "Average monthly salary" means the average of the highest monthly salaries for five years of service as a member. Average monthly salary must be based upon all allowable service if this service is less than five years. It does not include any amounts of severance pay or any reduced salary paid during the period the person is entitled to workers' compensation benefit payments for temporary disability.

Sec. 25. Minnesota Statutes 1988, section 352B.08, subdivision 1, is amended to read:

Subdivision 1. [WHO IS ELIGIBLE; WHEN TO APPLY; ACCRUAL.] Every member who is credited with ~~five~~ three or more years of allowable service is entitled to separate from state service and upon becoming 55 years old, is entitled to receive a life annuity, upon separation from state service. Members shall apply for an annuity in a form and manner prescribed by the executive director. No application may be made more than 60 days before the date the member is eligible to retire by reason of both age and service requirements. An annuity begins to accrue no earlier than 90 days before the date the application is filed with the executive director.

Sec. 26. Minnesota Statutes 1988, section 352B.11, subdivision 1, is amended to read:

Subdivision 1. [REFUND OF PAYMENTS.] A member who has not received other benefits under this chapter is entitled to a refund of payments made by salary deduction, plus interest, if the member is separated, either voluntarily or involuntarily, from state service that entitled the member to membership. In the event of the member's death, the member's estate is entitled to the refund. Interest must be computed at the rate of ~~five six~~ percent a year, compounded annually. To receive a refund, the member must apply on a form prescribed by the executive director.

Sec. 27. Minnesota Statutes 1988, section 352B.11, subdivision 2, is amended to read:

Subd. 2. [DEATH; PAYMENT TO SPOUSE AND CHILDREN.] If a member serving actively as a member, a member receiving the disability benefit provided by section 352B.10, subdivision 1, or a former member receiving a disability benefit as provided by section 352B.10, subdivision 3 2, dies from any cause, the surviving spouse and dependent children are entitled to benefit payments as follows:

(a) A member with at least ~~five~~ three years of allowable service or a former member with at least 20 years of allowable service is deemed to have elected a 100 percent joint and survivor annuity payable to a surviving spouse only on or after the date the member or former member became or would have become 55.

(b) The surviving spouse of a member who had credit for less than ~~five~~ three years of service shall receive, for life, a monthly annuity equal to 20 percent of that part of the average monthly salary of the member from which deductions were made for retirement. If the surviving spouse remarries, the annuity shall cease as of the date of the remarriage.

(c) The surviving spouse of a member who had credit for at least ~~five~~ three years service and who died after attaining 55 years of age, may elect to receive a 100 percent joint and survivor annuity, for life, notwithstanding a subsequent remarriage, in lieu of the annuity prescribed in paragraph (b).

(d) The surviving spouse of any member who had credit for ~~five~~ three years or more and who was not 55 years of age at death, shall receive the benefit equal to 20 percent of the average monthly salary as described in clause (b) until the deceased member would have reached the age of 55 years, and beginning the first of the month following that date, may elect to receive the 100 percent joint and survivor annuity. If the surviving spouse remarries before the deceased member's 55th birthdate, benefits or annuities shall cease

as of the date of remarriage. Remarriage after the deceased member's 55th birthday shall not affect the payment of the benefit.

(e) Each dependent child shall receive a monthly annuity equal to ten percent of that part of the average monthly salary of the former member from which deductions were made for retirement. A dependent child over 18 and under 22 years of age also may receive the monthly benefit provided in this section, if the child is continuously attending an accredited school as a full-time student during the normal school year as determined by the director. If the child does not continuously attend school but separates from full-time attendance during any part of a school year, the annuity shall cease at the end of the month of separation. In addition, a payment of \$20 per month shall be prorated equally to surviving dependent children when the former member is survived by one or more dependent children. Payments for the benefit of any qualified dependent child must be made to the surviving spouse, or if there is none, to the legal guardian of the child. The maximum monthly benefit must not exceed 40 percent of the average monthly salary for any number of children.

(f) If the member dies under circumstances that entitle the surviving spouse and dependent children to receive benefits under the workers' compensation law, the workers' compensation benefits received by them must not be deducted from the benefits payable under this section.

(g) The surviving spouse of a deceased former member who had credit for five three or more years of allowable service, but not the spouse of a former member receiving a disability benefit under section 352B.10, subdivision 3, is entitled to receive the 100 percent joint and survivor annuity at the time the deceased member would have reached the age of 55 years, if the surviving spouse has not remarried before that date. If a former member dies who does not qualify for other benefits under this chapter, the surviving spouse or, if none, the children or heirs are entitled to a refund of the accumulated deductions left in the fund plus interest at the rate of five six percent per year compounded annually.

Sec. 28. Minnesota Statutes 1988, section 352B.30, subdivision 1, is amended to read:

Subdivision 1. [ENTITLEMENT TO ANNUITY.] Any person who has been an employee covered by the Minnesota state retirement system, or a member of the public employees retirement association including the public employees retirement association police and firefighters' fund, or the teachers retirement association, or the state patrol retirement fund, or any other public employee retirement system in Minnesota having a like provision but excluding all other funds providing benefits for police or firefighters is entitled when qualified to an annuity from each fund if total allowable service in

all funds or in any two of these funds totals five three or more years. No part of the allowable service upon which the retirement annuity from one fund is based may again be used in the computation for benefits from another fund. The member must not have taken a refund from any one of these funds since service entitling the member to coverage under the system or membership in any of the associations last terminated. The annuity from each fund must be determined by the appropriate law except that the requirement that a person must have at least five three years allowable service in the respective system or association does not apply for the purposes of this section if the combined service in two or more of these funds equals five three or more years.

Sec. 29. Minnesota Statutes 1988, section 353.01, is amended by adding a subdivision to read:

Subd. 35. [NORMAL RETIREMENT AGE.] "Normal retirement age" means age 65 for a person who first became a public employee before July 1, 1989. For a person who first becomes a public employee after June 30, 1989, "normal retirement age" means the higher of age 65 or "retirement age," as defined in United States Code, title 42, section 416(l), as amended.

Sec. 30. Minnesota Statutes 1988, section 353.27, subdivision 2, is amended to read:

Subd. 2. [EMPLOYEE CONTRIBUTION.] The employee contribution shall be an amount (a) for a "basic member" equal to ~~eight~~ 8.23 percent of total salary; and (b) for a "coordinated member" equal to ~~four~~ 4.23 percent of total salary. These contributions shall be made by deduction from salary in the manner provided in subdivision 4. Where any portion of a member's salary is paid from other than public funds, such member's employee contribution shall be based on the total salary received from all sources.

Sec. 31. Minnesota Statutes 1988, section 353.29, subdivision 1, is amended to read:

Subdivision 1. [AGE AND ALLOWABLE SERVICE REQUIREMENTS.] Upon separation from public service any person who has attained the normal retirement age of at least 65 years and who received credit for not less than five three years of allowable service is entitled upon application to a retirement annuity. Such retirement annuity is known as the "normal" retirement annuity.

Sec. 32. Minnesota Statutes 1988, section 353.29, subdivision 2, is amended to read:

Subd. 2. [AVERAGE SALARY.] In calculating the annuity under subdivision 3, "average salary" means an amount equivalent to the

average of a member's highest salary upon which employee contributions were paid for any five successive years of allowable service, based on dates of salary periods as listed on salary deduction reports. Average salary must be based upon all allowable service if this service is less than five years. The five successive years average salary may not include any reduced salary paid during a period in which the employee is entitled to benefit payments from workers' compensation for temporary disability, unless the average salary is higher, including this period.

Sec. 33. Minnesota Statutes 1988, section 353.29, subdivision 3, is amended to read:

Subd. 3. [RETIREMENT ANNUITY FORMULA.] (a) This paragraph, in conjunction with section 353.30, subdivisions 1, 1a, 1b, and 1c, applies to any member who first became a public employee before July 1, 1989, unless paragraph (b), in conjunction with section 353.30, subdivision 5, produces a higher annuity amount, in which case paragraph (b) will apply. The average salary as defined in subdivision 2, multiplied by two percent for each year of allowable service for the first ten years and thereafter by 2.5 percent per year of allowable service and completed months less than a full year for the "basic member", and one percent for each year of allowable service for the first ten years and thereafter by 1.5 percent per year of allowable service and completed months less than a full year for the "coordinated member," shall determine the amount of the "normal" retirement annuity.

(b) This paragraph applies to a member who first became a public employee after June 30, 1989, and to any other member whose annuity amount, when calculated under this paragraph and in conjunction with section 353.30, subdivision 5, is higher than it is when calculated under paragraph (a), in conjunction with section 353.30, subdivisions 1, 1a, 1b, and 1c. The average salary, as defined in subdivision 2, multiplied by 2.5 percent for each year of allowable service and completed months less than a full year for a basic member and 1.5 percent per year of allowable service and completed months less than a full year for a coordinated member, shall determine the amount of the normal retirement annuity.

Sec. 34. Minnesota Statutes 1988, section 353.30, is amended to read:

353.30 [ANNUITIES UPON RETIREMENT.]

Subdivision 1. Upon separation from public service any person who first became a public employee before July 1, 1989, and who has attained the age of at least 58 years but not more than 65 years normal retirement age and who received credit for not less than 20 years of allowable service is entitled upon application to a retirement annuity in an amount equal to the normal annuity provided in

section 353.29, subdivisions 2 and 3, paragraph (a), reduced by one-quarter of one percent for each month that the member is under normal retirement age 65 at the time of retirement.

Subd. 1a. Any person who first became a public employee before July 1, 1989, and whose attained age plus credited allowable service totals 90 years is entitled upon application to a retirement annuity in an amount equal to the normal annuity provided in section 353.29, subdivisions 2 and 3, paragraph (a), without any reduction in annuity by reason of such early retirement.

Subd. 1b. Any person who first became a public employee before July 1, 1989, with 30 years or more of allowable service credit, who elects early retirement under subdivision 1, shall receive an annuity in an amount equal to the normal annuity provided under section 353.29, subdivisions 2 and 3, paragraph (a), reduced by one-quarter of one percent for each month that the member is under age 62 at the time of retirement.

Subd. 1c. Any person who first became a public employee before July 1, 1989, and who has received credit for at least 30 years of allowable service or any person who has attained the age of at least 55 years but not more than 65 years normal retirement age, and who has received credit for at least ~~five~~ three years of allowable service is entitled upon application to a retirement annuity in an amount equal to the normal annuity provided in section 353.29, subdivisions 2 and 3, paragraph (a), reduced by one-quarter of one percent for each month that the member is under normal retirement age 65 at the time of retirement, except that for any member who has 30 or more years of allowable service the reduction shall be applied only for each month that the member is under age 62 at the time of retirement.

Subd. 3. [OPTIONAL RETIREMENT ANNUITY FORMS.] The board of trustees shall establish optional annuities which shall take the form of a joint and survivor annuity. Except as provided in subdivision 3a, the optional annuity forms shall be actuarially equivalent to the forms provided in section 353.29 and subdivisions 1, 1a, 1b, and 1c of this section, and 5. In establishing those optional forms, the board shall obtain the written recommendation of the commission-retained actuary. The recommendations shall be a part of the permanent records of board. A member or former member may select an optional form of annuity in lieu of accepting any other form of annuity which might otherwise be available.

Subd. 3a. [BOUNCE-BACK ANNUITY.] (a) If a former member or disabilitant selects a joint and survivor annuity option under subdivision 3, the former member or disabilitant must receive a normal single-life annuity if the designated optional annuity beneficiary dies before the former member or disabilitant. Under this option, no reduction may be made in the person's annuity to provide

for restoration of the normal single-life annuity in the event of the death of the designated optional annuity beneficiary.

(b) A former member or disabilitant who selected an optional joint and survivor annuity before July 1, 1989, but did not choose an option that provides that the normal single-life annuity is payable to the former member or the disabilitant if the designated optional annuity beneficiary dies first, is eligible for restoration of the normal single-life annuity if the designated optional annuity beneficiary dies first, without further actuarial reduction of the person's annuity. A former member or disabilitant who selected an optional joint and survivor annuity, but whose designated optional annuity beneficiary died before July 1, 1989, shall receive a normal single-life annuity after that date, but shall not receive retroactive payments for periods before that date.

(c) A former member or disabilitant who took a further actuarial reduction to elect an optional joint and survivor annuity that provides that the normal annuity is payable to the former member or disabilitant if the designated optional beneficiary died before July 1, 1989, shall have their annuity increased as of July 1, 1989, to the amount the person would have received if, at the time of retirement or disability, the person had selected only optional survivor coverage that would not have provided for restoration of the normal annuity upon the death of the designated optional annuity beneficiary. Any annuity or benefit increase under this paragraph is effective only for payments made after June 30, 1989, and is not retroactive for payments made before July 1, 1989.

Subd. 4. Any monthly payments to which any person may be entitled under this chapter may be reduced in amount upon application of the person entitled thereto to the association, provided that such the person shall first relinquish in writing all claim to that part of the full monthly payment which is the difference between the monthly payment which that person would be otherwise entitled to receive and the monthly payment which that person will receive. The reduced monthly payment shall be payment in full of all amounts due under this chapter for the month for which the payment is made and acceptance of the reduced monthly payment releases the retirement association from all obligation to pay to such the person the difference between the amount of the reduced monthly payment and the full amount of the monthly payment which such the person would otherwise have received. Upon application of the person who is entitled to such monthly payment, it may be increased prospectively to not more than the amount to which such the person would have been entitled had no portion thereof been waived.

Subd. 5. [ACTUARIAL REDUCTION FOR EARLY RETIREMENT.] This subdivision applies to a member who first became a public employee after June 30, 1989, and to any other member

whose annuity is higher when calculated under section 353.29, subdivision 3, paragraph (b), in conjunction with this subdivision than when calculated under section 353.29, subdivision 3, paragraph (a), in conjunction with subdivision 1, 1a, 1b, or 1c. An employee who retires before normal retirement age shall be paid the retirement annuity provided in section 353.29, subdivision 3, paragraph (b), reduced so that the reduced annuity is the actuarial equivalent of the annuity that would be payable to the employee if the employee deferred receipt of the annuity and the annuity amount were augmented at an annual rate of three percent compounded annually from the day the annuity begins to accrue until the normal retirement age.

Sec. 35. Minnesota Statutes 1988, section 353.32, subdivision 1, is amended to read:

Subdivision 1. [BEFORE RETIREMENT.] If a member or former member who terminated public service dies before retirement or before receiving any retirement annuity and no other payment of any kind is or may become payable to any person, a refund shall be paid to the designated beneficiary or, if there be none, to the surviving spouse, or, if none, to the legal representative of the decedent's estate. Such refund shall be in an amount equal to accumulated deductions plus interest thereon at the rate of five six percent per annum compounded annually less the sum of any disability or survivor benefits, if any, that may have been paid by the fund; provided that a survivor who has a right to benefits pursuant to section 353.31 may waive such benefits in writing, except such benefits for a dependent child under the age of 18 years may only be waived pursuant to an order of the district court.

Sec. 36. Minnesota Statutes 1988, section 353.32, subdivision 1a, is amended to read:

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

service. The annuity must be computed as provided in sections 353.29, subdivisions 2 and 3; and 353.30, subdivisions 1, 1a, 1b, and 1c, and 5. Sections 353.34, subdivision 3, and 353.71, subdivision 2, apply to a deferred annuity payable under this subdivision. No payment may accrue beyond the end of the month in which entitlement to the annuity has terminated. An amount equal to any excess of the accumulated contributions that were credited to the account of the deceased employee over and above the total of the annuities paid and payable to the surviving spouse must be paid to the deceased member's last designated beneficiary or, if none, to the legal representative of the estate of the deceased member. A member may specify in writing that this subdivision does not apply and that payment may be made only to the designated beneficiary as otherwise provided by this chapter.

Sec. 37. Minnesota Statutes 1988, section 353.33, subdivision 1, is amended to read:

Subdivision 1. [AGE, SERVICE AND SALARY REQUIREMENTS.] Any member who becomes totally and permanently disabled before normal retirement age 65 and after five three years of allowable service shall be entitled to a disability benefit in an amount provided in subdivision 3. If such disabled person's public service has terminated at any time, at least ~~three~~ two of the required five three years of allowable service must have been rendered after last becoming a member. Any member whose average salary is less than \$75 per month shall not be entitled to a disability benefit. No repayment of a refund otherwise authorized pursuant to section 353.34 and no purchase of prior service or payment made in lieu of salary deductions otherwise authorized pursuant to section 353.01, subdivision 16, 353.017, subdivision 4, or 353.36, subdivision 2, may be made after the occurrence of the disability for which an application pursuant to this section is filed.

Sec. 38. Minnesota Statutes 1988, section 353.33, subdivision 3, is amended to read:

Subd. 3. [COMPUTATION OF BENEFITS.] This disability benefit is an amount equal to the normal annuity payable to a member who has reached 65 normal retirement age with the same number of years of allowable service and the same average salary, as provided in section 353.29, subdivisions 2 and 3. A "basic member" shall receive in addition a supplementary monthly benefit computed in accordance with the following table:

Age when Disabled	Supplementary benefit
Under 56	\$50
56	45
57	40
58	35
59	30
60	25
61	20
62	15
63	10
64	5

If the disability benefits provided in this subdivision exceed the average salary as defined in section 353.29, subdivision 2, the disability benefits shall be reduced to an amount equal to said average salary.

Sec. 39. Minnesota Statutes 1988, section 353.33, subdivision 11, is amended to read:

Subd. 11. [RETIEMENT STATUS AT NORMAL RETIREMENT AGE 65.] No person shall be entitled to receive disability benefits and a retirement annuity at the same time. The disability benefits paid to a person hereunder shall terminate when the person reaches normal retirement age 65. If the person is still totally and permanently disabled when the person attains the normal retirement age of 65 years, the person shall be deemed to be on retirement status and, if the person had elected an optional annuity pursuant to subdivision 3a, shall receive an annuity in accordance with the terms of the optional annuity previously elected, or, if the person had not elected an optional annuity pursuant to subdivision 3a, may at the option of the person either elect to receive either a normal retirement annuity as provided in section 353.29 or normal retirement annuity equal to the disability benefit paid before the person reached normal retirement age 65, whichever amount is greater, or elect to receive an optional annuity as provided in section 353.30, subdivision 3. Any disabled person who becomes age 65 attains normal retirement age shall have the annuity computed in accordance with the law in effect upon attainment of that age 65. Election of an optional annuity shall be made prior to the person attaining the normal retirement age of 65 years. If an optional annuity is elected, the election shall be effective on the date on which the person attains the age of 65 years normal retirement age and the optional annuity shall begin to accrue on the first day of the month next following the month in which the person attains the that age of 65 years.

Sec. 40. Minnesota Statutes 1988, section 353.34, subdivision 2, is amended to read:

Subd. 2. [REFUND WITH INTEREST.] Except as provided in subdivision 1, any person who ceases to be a public employee shall receive a refund in an amount equal to accumulated deductions with interest to the first day of the month in which the refund is processed at the rate of five six percent per annum compounded annually based on fiscal year balances.

Sec. 41. Minnesota Statutes 1988, section 353.34, subdivision 3, is amended to read:

Subd. 3. [DEFERRED ANNUITY; ELIGIBILITY; COMPUTATION.] A member with at least five three years of allowable service when termination of public service occurs has the option of leaving the accumulated deductions in the fund and being entitled to a deferred retirement annuity commencing at normal retirement age 65 or to a deferred early retirement annuity under section 353.30, subdivision 1, 1a, 1b, or 1c, or 5. The deferred annuity must be computed under section 353.29, subdivisions 2 and 3, on the basis of the law in effect on the date of termination of public service and must be augmented as provided in section 353.71, subdivision 2. A former member qualified to apply for a deferred retirement annuity may revoke this option at any time before the commencement of deferred annuity payments by making application for a refund. The person is entitled to a refund of accumulated member contributions within 30 days following date of receipt of the application by the executive director.

Sec. 42. Minnesota Statutes 1988, section 353.34, subdivision 3a, is amended to read:

Subd. 3a. [DEFERRED ANNUITY; CERTAIN HOSPITAL EMPLOYEES.] Any member employed by a public hospital, as defined in section 355.71, subdivision 3, who has at least five three years of allowable service credit on the date the public hospital is taken over by a private corporation or organization, may elect to receive a deferred annuity pursuant to subdivision 3 notwithstanding the length of service requirement contained therein.

Sec. 43. Minnesota Statutes 1988, section 353.651, subdivision 1, is amended to read:

Subdivision 1. [AGE AND ALLOWABLE SERVICE REQUIREMENTS.] Upon separation from public service, any police officer or firefighter member who has attained the age of at least 55 years and who received credit for not less than five three years of allowable service is entitled upon application to a retirement annuity. Such retirement annuity is known as the "normal" retirement annuity.

Sec. 44. Minnesota Statutes 1988, section 353.651, subdivision 2, is amended to read:

Subd. 2. [AVERAGE SALARY.] In calculating the annuity under subdivision 3, "average salary" means an amount equivalent to the average of the highest salary earned as a police officer or firefighter upon which employee contributions were paid for any five successive years of allowable service. Average salary must be based upon all allowable service if this service is less than five years.

The five successive years average salary may not include any reduced salary paid during a period in which the employee is entitled to benefit payments from workers' compensation for temporary disability unless the average salary is higher, including this period.

Sec. 45. Minnesota Statutes 1988, section 353.657, subdivision 2a, is amended to read:

Subd. 2a. [DEATH WHILE ELIGIBLE SURVIVOR BENEFIT.] If a member or former member who has attained the age of at least 50 years and has credit for not less than ~~five~~ three years allowable service or who has credit for at least 30 years of allowable service, regardless of age attained, dies before public service has terminated, or if an employee who has filed a valid application for an annuity or disability benefit prior to termination of public service dies before the annuity or benefit has become payable, notwithstanding any designation of beneficiary to the contrary, the surviving spouse may elect to receive a death while eligible survivor benefit. The benefit shall be in lieu of a refund with interest provided in section 353.32, subdivision 1, or survivor benefits otherwise payable pursuant to subdivisions 1 and 2. The benefit must be an annuity equal to the 100 percent joint and survivor annuity which the member could have qualified for on the date of death, computed as provided in sections 353.651, subdivisions 2 and 3, and 353.30, subdivision 3. The surviving spouse may apply for the annuity at any time after the date on which the deceased employee would have attained the required age for retirement based on the employee's allowable service. Sections 353.34, subdivision 3, and 353.71, subdivision 2, apply to a deferred annuity payable under this subdivision. No payment shall accrue beyond the end of the month in which entitlement to such annuity has terminated. An amount equal to the excess, if any, of the accumulated contributions which were credited to the account of the deceased employee over and above the total of the annuities paid and payable to the surviving spouse shall be paid to the deceased member's last designated beneficiary or, if none, to the legal representative of the estate of such deceased member. Any member may request in writing that this subdivision not apply and that payment be made only to the designated beneficiary, as otherwise provided by this chapter. For a member who is employed as a full-time firefighter by the department of military affairs of the state of Minnesota, allowable service as a full-time state military affairs department firefighter credited by the Minne-

sota state retirement system may be used in meeting the minimum allowable service requirement of this subdivision.

Sec. 46. Minnesota Statutes 1988, section 353.71, subdivision 1, is amended to read:

Subdivision 1. [ELIGIBILITY.] Any person who has been a member of the public employees retirement association, or the Minnesota state retirement system, or the teachers retirement association, or any other public retirement system in the state of Minnesota having a like provision, except a fund providing benefits for police officers or firefighters governed by sections 69.77 or 69.771 to 69.776, shall be entitled when qualified to an annuity from each fund if the total allowable service in all funds or in any two of these funds totals five three or more years, provided no portion of the allowable service upon which the retirement annuity from one fund is based is again used in the computation for benefits from another fund and provided further that the person has not taken a refund from any one of these funds since the person's membership in that association or system last terminated. The annuity from each fund shall be determined by the appropriate provisions of the law except that the requirement that a person must have at least five three years of allowable service in the respective association or system shall not apply for the purposes of this section provided the combined service in two or more of these funds equals five three or more years.

Sec. 47. Minnesota Statutes 1988, section 353.71, subdivision 2, is amended to read:

Subd. 2. [DEFERRED ANNUITY COMPUTATION; AUGMENTATION.] The deferred annuity, if any, accruing under subdivision 1, or sections 353.34, subdivision 3, and 353.68, subdivision 4, shall be computed in the manner provided in said sections, on the basis of allowable service prior to termination of public service and augmented as provided herein. The required reserves applicable to a deferred annuity, or to an annuity for which a former member was eligible but had not applied, or to any deferred segment of an annuity shall be determined as of the date the annuity begins to accrue and shall be augmented from the first day of the month following the month in which the former member ceased to be a public employee, or July 1, 1971, whichever is later, to the first day of the month in which the annuity begins to accrue, at the rate of five percent per annum compounded annually until January 1, 1981, and thereafter at the rate of three percent thereafter until January 1 of the year following the year in which the former member attains age 55. From that date to the effective date of retirement, the rate is five percent per annum compounded annually. If a person has more than one period of uninterrupted service, the required reserves related to each period shall be augmented by interest pursuant to this subdivision. The sum of the augmented required reserves so determined shall be the present value of the

annuity. Uninterrupted service for the purpose of this subdivision shall mean periods of covered employment during which the employee has not been separated from public service for more than two years. If a person repays a refund, the service restored thereby shall be considered as continuous with the next period of service for which the employee has credit with this association. The formula percentages used for each period of uninterrupted service shall be those as would be applicable to a new employee. This section shall not reduce the annuity otherwise payable under this chapter. This subdivision shall apply to deferred annuitants of record on July 1, 1971 and to employees who thereafter become deferred annuitants; it shall also apply from July 1, 1971 to former members who make application for an annuity after July 1, 1973.

Sec. 48. Minnesota Statutes 1988, section 353.71, subdivision 5, is amended to read:

Subd. 5. [EARLY RETIREMENT.] The requirements and provisions for retirement prior to normal retirement age 65 contained in section 353.30, shall also apply to a person fulfilling such requirements with a combination of service as provided in subdivision 1.

Sec. 49. Minnesota Statutes 1988, section 353C.06, subdivision 1, is amended to read:

Subdivision 1. [ELIGIBILITY REQUIREMENTS.] After separation from public employment, an employee covered under section 353C.02 who has attained the age of at least 55 years and has credit for not less than five three years of coverage in the local government correctional service plan is entitled, upon application, to a normal retirement annuity. Instead of a normal retirement annuity, a retiring employee may elect to receive the optional annuity provided in section 353.30, subdivision 3.

Sec. 50. Minnesota Statutes 1988, section 353C.06, subdivision 2, is amended to read:

Subd. 2. [AVERAGE SALARY BASE.] In calculating the annuity under subdivision 3, "average salary" means an amount equivalent to the average of the highest salary earned as a local government correctional employee upon which employee contributions were paid for any five successive years of allowable service. Average salary must be based on all allowable service if this service is less than five years.

Sec. 51. Minnesota Statutes 1988, section 353C.06, subdivision 4, is amended to read:

Subd. 4. [ACCRUAL AND DURATION.] The annuity under this section begins to accrue as provided in section 353.29, subdivision 7.

The annuity is payable for the life of the recipient, or in accordance with the terms of any optional annuity form selected, and is payable for 84 full calendar months or to the first of the month following the month in which the employee becomes attains the normal retirement age 65, whichever occurs first. After a recipient has received the annuity calculated under this formula for 84 full calendar months or to the first of the month following the month in which the employee becomes attains the normal retirement age 65, whichever occurs first, the benefit must be recomputed in accordance with the coordinated formula in sections 353.29 and 353.30, except that if this amount, when added to the social security benefit based on public service the employee is eligible to receive at that time, is less than the benefit payable under subdivision 3, the retired employee is entitled to receive an amount payable under subdivision 3, less any amount payable from social security based on public service used in the benefit calculation. When an annuity is reduced under this subdivision, any percentage of adjustments that have been applied to the original annuity under section 11A.18, before the reduction, must be compounded and applied to the reduced annuity.

Sec. 52. Minnesota Statutes 1988, section 353C.08, subdivision 5, is amended to read:

Subd. 5. [DISABILITY BENEFIT TERMINATION.] The disability benefit paid to a disabled local government correctional employee terminates at the end of the month in which the employee reaches age 62. If the disabled local government correctional employee is still disabled when the employee reaches age 62, the employee is deemed to be a retired employee and, if the employee had elected an optional annuity under subdivision 3, must receive an annuity in accordance with the terms of the optional annuity previously elected. If the employee had not elected an optional annuity under subdivision 3, the employee may elect either to receive a normal retirement annuity computed on the coordinated formula in the manner provided in section 353.29 or to receive an optional annuity as provided in section 353.30, subdivision 3, based on the same length of service as used in the calculation of the disability benefit. Election of an optional annuity must be made before attaining the age of 62 years. The reduction for retirement prior to normal retirement age 65 as provided in section 353.30, subdivisions 1 and 1c, and 5, is not applicable. The savings clause provision of section 353C.06, subdivision 4, is applicable.

Sec. 53. Minnesota Statutes 1988, section 354.05, is amended by adding a subdivision to read:

Subd. 38. [NORMAL RETIREMENT AGE.] "Normal retirement age" means age 65 for a person who first became a member of the fund before July 1, 1989. For a person who first becomes a member of the fund after June 30, 1989, normal retirement age means the

higher of age 65 or "retirement age," as defined in United States Code, title 42, section 416(l), as amended.

Sec. 54. Minnesota Statutes 1988, section 354.35, is amended to read:

354.35 [RETIREMENT BEFORE BECOMING ELIGIBLE FOR SOCIAL SECURITY.]

Any coordinated member who retires before becoming eligible for social security retirement benefits, may elect to receive an optional retirement annuity from the association which provides for different annuity amounts over different periods of retirement. The election of this optional retirement annuity shall be exercised by making an application to the board on a form provided by the board. The optional annuity shall take the form of an annuity payable for the period before the member attains the normal retirement age of 65 years in a greater amount than the amount of the annuity calculated under section 354.44 on the basis of the age of the member at retirement but equal insofar as possible to the social security old age retirement benefit and the adjusted retirement annuity amount payable immediately after the annuitant becomes eligible for social security old age retirement benefits in an amount less than the amount of the annuity calculated under section 354.44 on the basis of the age of the member at retirement. The social security leveling option may be calculated based on broad average social security old age retirement benefits. The optional annuity shall be the actuarial equivalent of the member's annuity computed on the basis of the member's age at retirement. The greater amount shall be paid until the member reaches the normal retirement age of 65 at which time the payment from the association shall be reduced. The method of computing the optional retirement annuity provided in this section shall be established by the board of trustees. In establishing the method of computing the optional retirement annuity, the board of trustees shall obtain the written recommendation of the commission-retained actuary. The recommendations shall be a part of the permanent records of the board of trustees.

Sec. 55. Minnesota Statutes 1988, section 354.41, subdivision 3, is amended to read:

Subd. 3. (1) Each annuitant, age 60 or over, who is drawing an annuity pursuant to Minnesota Statutes 1953, section 135.10 and Minnesota Statutes 1965, sections 354.44 and 354.33 shall have the right to have membership in the fund restored upon resumption of teaching service, for the purpose of having deductions made in accordance with sections 354.42 and 355.48. Upon completion of five three years of allowable service, under this subdivision the member shall be entitled to a coordinated annuity provided in section 354.44, subdivision 6. This annuity is in addition to any annuity previously granted under this chapter.

(2) Any annuitant qualifying for membership in the fund under clause (1) may file a written notice with the executive director of the teachers retirement association requesting that deductions provided for in section 354.42 be made from compensation paid for subsequent teaching services. Such notice shall remain in effect until the annuitant requests in writing that this membership be revoked. After July 1, 1967, deductions pursuant to section 355.48 are required for any annuitant eligible for membership in the fund under clause (1). Teaching service rendered by an annuitant for which no deductions were made pursuant to section 354.42, shall not be included in any additional annuity granted pursuant to clause (1) of this subdivision.

(3) Teachers retirement deductions made prior to July 1, 1973 from the salary of any annuitant who was qualified for membership in the fund under clause (1) of this subdivision at the time such deductions were made, shall be applicable to the computation of an annuity as provided under clause (1) of this subdivision even if the written notice required in clause (2) of this subdivision has not been filed. The teaching service related to such retirement deductions shall be deemed to be allowable service credit which is applicable to the completion of the ~~five~~ three years of allowable service required in clause (2) of this subdivision.

Sec. 56. Minnesota Statutes 1988, section 354.44, subdivision 1, is amended to read:

Subdivision 1. [REQUIREMENTS AS TO AGE AND SERVICE.] Any member or former member who ceases or has ceased to render teaching services in any school or institution covered by the provisions of this chapter, and who has attained the age of at least 55 years with not less than ~~five~~ three years allowable service, or who has received credit for not less than 30 years allowable service regardless of age, is entitled upon written application to a retirement annuity.

Sec. 57. Minnesota Statutes 1988, section 354.44, subdivision 1a, is amended to read:

Subd. 1a. [MANDATORY RETIREMENT.] Notwithstanding the provisions of sections 43A.11 or 197.455 to 197.48, a member who is serving as a faculty member or administrator under a contract of unlimited tenure or similar arrangement providing for unlimited tenure at an institution of higher education, as defined in section 1201(a) of the federal Higher Education Act of 1965, as amended through January 1, 1987, shall terminate employment at the end of the academic year in which the member reaches the age of 70. For purposes of this subdivision, an academic year shall be deemed to end August 31. No other member shall be subject to a mandatory retirement age provision. A member who terminates employment at any time during the academic year at the end of which the person is

at the normal retirement age 65 or older shall, for the purpose of determining eligibility for a proportionate retirement annuity, be considered to have been required to terminate employment at normal retirement age 65 or older pursuant to section 356.32. Nothing contained in this subdivision shall preclude an employing unit covered by this chapter from employing a retired teacher as a substitute or part time teacher. Any person who has attained the normal retirement age of at least 65 years, who is employed as a substitute or part-time teacher and who earns an amount equal to the annual maximum earnings allowable for that age for the continued receipt of full benefit amounts monthly under the federal old age, survivors and disability insurance program as set by the secretary of health and human services pursuant to the provisions of United States Code, title 42, section 403, in any academic year from employment as a substitute or part-time teacher, shall terminate employment for the remainder of that academic year. No person who has attained the normal retirement age of at least 65 years and who has retired under this chapter may resume membership in the retirement association as a result of subsequent employment as a substitute or part-time teacher.

Sec. 58. Minnesota Statutes 1988, section 354.44, subdivision 6, is amended to read:

Subd. 6. [COMPUTATION OF FORMULA PROGRAM RETIREMENT ANNUITY.] (1) The formula retirement annuity hereunder shall be computed in accordance with the applicable provisions of the ~~formula~~ formulas stated in clause (2) hereof or (4) on the basis of each member's average salary for the period of the member's formula service credit. For the purposes of computing the formula benefits under the formula and variable program, if a combination of these formulas is used, the formula percentages used will be those percentages in each formula as continued for the respective years of service from one formula to the next.

For all years of formula service credit "average salary" for the purpose of determining the member's retirement annuity means the average salary upon which contributions were made and upon which payments were made to increase the salary limitation provided in Minnesota Statutes 1971, section 354.511 for the highest five successive years of formula service credit provided however that such "average salary" shall not include any more than the equivalent of 60 monthly salary payments. Average salary must be based upon all years of formula service credit if this service credit is less than five years.

(2) This clause, in conjunction with clause (3), applies to a person who first became a member of the fund before July 1, 1989, unless clause (4), in conjunction with clause (5), produces a higher annuity amount, in which case clause (4) applies. The average salary as defined in clause (1), multiplied by the following percentages per

year of formula service credit shall determine the amount of the annuity to which the member qualifying therefor is entitled:

Each year of service during first ten	Coordinated Member 1.0 percent per year	Basic Member 2.0 percent per year
Each year of service thereafter	1.5 percent per year	2.5 percent per year

(3) (i) This clause applies only to a person who first became a member of the fund before July 1, 1989, and whose annuity is higher when calculated under clause (2), in conjunction with this clause than when calculated under clause (4), in conjunction with clause (5).

(ii) Where any member retires prior to normal retirement age 65 under a formula annuity, the member shall be paid a retirement annuity in an amount equal to the normal annuity provided in this subdivision clause (2) and subdivision 7, paragraph (a), reduced by one-half one-quarter of one percent for each month that the member is under normal retirement age 65 to and including age 60 and reduced by one-fourth of one percent for each month under age 60 at the time of retirement except that for any member who has 30 or more years of allowable service credit, the reduction shall be applied only for each month which that the member is under age 62.

(iii) Any member whose attained age plus credited allowable service totals 90 years is entitled, upon application, to a retirement annuity in an amount equal to the normal annuity provided in clause (2), without any reduction by reason of early retirement.

(4) This clause applies to a member who first became a member of the fund after June 30, 1989, and to any other member whose annuity amount when calculated under this clause and in conjunction with clause (5), is higher than it is when calculated under clause (2), in conjunction with clause (3). The average salary, as defined in clause (1) multiplied by 2.5 percent for each year of service for a basic member and by 1.5 percent for each year of service for a coordinated member shall determine the amount of the retirement annuity to which the member is entitled.

(5) This clause applies to a person who first becomes a member of the fund after June 30, 1989, and to any other member whose annuity is higher when calculated under clause (4) in conjunction with this clause than when calculated under clause (2), in conjunction with clause (3). An employee who retires under the formula annuity before the normal retirement age shall be paid the normal annuity provided in clause (4) and subdivision 7, paragraph (b), reduced so that the reduced annuity is the actuarial equivalent of

the annuity that would be payable to the employee if the employee deferred receipt of the annuity and the annuity amount were augmented at an annual rate of three percent compounded annually from the day the annuity begins to accrue until the normal retirement age.

Sec. 59. Minnesota Statutes 1988, section 354.44, subdivision 7, is amended to read:

Subd. 7. [COMPUTATION OF FORMULA AND VARIABLE PROGRAM RETIREMENT ANNUITY.] (a) This paragraph applies to a person who first became a member of the fund before July 1, 1989, unless paragraph (b) produces a higher annuity amount, in which case paragraph (b) applies. The benefits provided in this subdivision paragraph are the sum of the benefits provided by the following:

(1) The benefits provided in subdivision 6, clause (2) for formula service credit prior to the effective date of the original election of this subdivision and subsequent to June 30, 1978 unless the member elects continued participation in the variable program pursuant to Minnesota Statutes 1984, section 354.621, and

(2) The benefits for service credit subsequent to the effective date of the formula and variable program but prior to July 1, 1978 and the benefits for service credit subsequent to June 30, 1978 if the member elects continued participation in the variable program pursuant to Minnesota Statutes 1984, section 354.621, shall be the average salary as defined in subdivision 6, clause (1) of any member multiplied by the following percentages per year of formula service credit,

	Coordinated Member	Basic Member
Each year of service during first ten	.5 percent per year	1.0 percent per year
Each year of service thereafter	.75 percent per year	1.25 percent per year, and

(3) The benefits provided in section 354.62, subdivision 5.

(b) This paragraph applies to a person who first became a member of the fund before July 1, 1989, but whose annuity amount, when calculated under this paragraph, is higher than it is when calculated under paragraph (a). The benefits provided in this paragraph are the sum of the benefits provided by the following:

(1) the benefits provided in subdivision 6, clause (4), for formula service credit before the effective date of the original election of this subdivision and subsequent to June 30, 1978, unless the member

elects continued participation in the variable program pursuant to Minnesota Statutes 1984, section 354.621;

(2) the benefits for service credit subsequent to the effective date of the formula and variable program but before July 1, 1978; and the benefits for service credit subsequent to June 30, 1978, if the member elects continued participation in the variable program pursuant to Minnesota Statutes 1984, section 354.621, shall be the average salary as defined in subdivision 6, clause (1), of any member multiplied by 1.25 percent for each year of service for a basic member and by 0.75 percent for each year of service for a coordinated member; and

(3) the benefits provided in section 354.62, subdivision 5.

Sec. 60. Minnesota Statutes 1988, section 354.45, subdivision 1, is amended to read:

Subdivision 1. [OPTIONAL ANNUITY FORMS.] The retirement board shall establish optional annuities at retirement which shall take the form of an annuity payable for a period certain and for life thereafter or the form of a joint and survivor annuity. The board shall also establish an optional annuity which shall take the form of a guaranteed refund annuity paying the annuitant a fixed amount for life with the guarantee that in the event of death the balance of the accumulated deductions and interest accrued to the date of retirement will be paid to the designated beneficiary. Except as provided in subdivision 1a, any optional annuity forms shall be actuarially equivalent to the normal forms provided in section 354.44. In establishing these optional annuity forms, the board shall obtain the written recommendation of the commission-retained actuary. The recommendations shall be a part of the permanent records of the board.

Sec. 61. Minnesota Statutes 1988, section 354.45, is amended by adding a subdivision to read:

Subd. 1a. [BOUNCE-BACK ANNUITY.] (a) If a former member or disabilitant selects a joint and survivor annuity option under subdivision 1, the former member or disabilitant must receive a normal single-life annuity if the designated optional annuity beneficiary dies before the former member or disabilitant. Under this option, no reduction may be made in the person's annuity to provide for restoration of the normal single-life annuity in the event of the death of the designated optional annuity beneficiary.

(b) A former member or disabilitant who selected an optional joint and survivor annuity before July 1, 1989, but did not choose an option that provides that the normal single-life annuity is payable to the former member or the disabilitant if the designated optional annuity beneficiary dies first, is eligible for restoration of the

normal single-life annuity if the designated optional annuity beneficiary dies first, without further actuarial reduction of the person's annuity. A former member or disabilitant who selected an optional joint and survivor annuity, but whose designated optional annuity beneficiary died before July 1, 1989, shall receive a normal single-life annuity after that date, but shall not receive retroactive payments for periods before that date.

Sec. 62. Minnesota Statutes 1988, section 354.46, subdivision 2, is amended to read:

Subd. 2. [DEATH WHILE ELIGIBLE DESIGNATED BENEFICIARY BENEFIT.] The surviving spouse of any member or former member who has attained the age of at least 50 years and has credit for at least five three years of allowable service or who has credit for at least 30 years of allowable service irrespective of age shall be entitled to joint and survivor annuity coverage in the event of death of the member prior to retirement. If the surviving spouse does not elect to receive a surviving spouse benefit provided pursuant to subdivision 1, if applicable, or does not elect to receive a refund of accumulated member contributions provided pursuant to section 354.47, subdivision 1, or 354.62, subdivision 5, clause (3), whichever is applicable, the surviving spouse shall be entitled to receive, upon written application on a form prescribed by the executive director, a benefit equal to the second portion of a 100 percent joint and survivor annuity as provided pursuant to section 354.45 and computed pursuant to section 354.44, subdivision 2, 6 or 7, whichever is applicable. The surviving spouse may apply for the annuity at any time after the date on which the deceased employee would have attained the required age for retirement based on the employee's allowable service. Sections 354.44, subdivisions 6 and 7, and 354.60 apply to a deferred annuity payable under this section. If the member was a participant in the variable annuity division, the applicable portion of the benefit shall be computed pursuant to section 354.62, subdivision 5, clause (1). The benefit shall be payable for life.

Sec. 63. Minnesota Statutes 1988, section 354.47, subdivision 1, is amended to read:

Subdivision 1. [DEATH BEFORE RETIREMENT.] (1) If a member dies before retirement and is covered pursuant to the provisions of section 354.44, subdivision 2, and neither an optional annuity, nor a reversionary annuity, nor a benefit pursuant to section 354.46, subdivision 1 is payable to the survivors if the member was a basic member, the surviving spouse, or if there is no surviving spouse, the designated beneficiary shall be entitled to an amount equal to the member's accumulated deductions with interest credited to the account of the member to the date of death.

(2) If a member dies before retirement and is covered pursuant to

the provisions of section 354.44, subdivisions 6 and 7, and neither an optional annuity, nor reversionary annuity, nor the benefit described in section 354.46, subdivision 1 is payable to the survivors if the member was a basic member, the surviving spouse, or if there is no surviving spouse, the designated beneficiary shall be entitled to an amount equal to the member's accumulated deductions credited to the account of the member as of June 30, 1957 and from July 1, 1957 to the date of death the member's accumulated deductions plus interest at the rate of five six percent per annum compounded annually.

(3) The amounts payable in clause (1) or (2) are in addition to the amount payable in section 354.62, subdivision 5, for the member's variable annuity account.

Sec. 64. Minnesota Statutes 1988, section 354.48, subdivision 1, is amended to read:

Subdivision 1. [AGE, SERVICE AND SALARY REQUIREMENTS.] Any member who became totally and permanently disabled after at least five three years of allowable service shall be entitled to a disability benefit in an amount provided in subdivision 3. If such disabled person's teaching service has terminated at any time, at least three two of the required five three years of allowable service must have been rendered after last becoming a member. Any member whose average salary is less than \$75 per month shall not be entitled to disability benefits.

Sec. 65. Minnesota Statutes 1988, section 354.48, subdivision 3, is amended to read:

Subd. 3. [COMPUTATION OF BENEFITS.] (1) The amount of the disability benefit granted to members covered under section 354.44, subdivision 2, clauses (1) and (2), is an amount equal to double the annuity which could be purchased by the member's accumulated deductions plus interest on the amount computed as though the teacher were at normal retirement age 65 at the time the benefit begins to accrue and in accordance with the law in effect when the disability application is received. Any member who applies for a disability benefit after June 30, 1974, and who failed to make an election pursuant to Minnesota Statutes 1971, section 354.145, shall have the disability benefit computed under this clause or clause (2), whichever is larger.

The benefit granted shall be determined by the following:

- (a) the amount of the accumulated deductions;
- (b) interest actually earned on these accumulated deductions to the date the benefit begins to accrue;

(c) interest for the years from the date the benefit begins to accrue to the date the member attains normal retirement age 65 at the rate of three percent;

(d) annuity purchase rates based on an appropriate annuity table of mortality established by the board as provided in section 354.07, subdivision 1, and using the applicable postretirement interest rate assumption specified in section 356.215, subdivision 4d.

In addition, a supplementary monthly benefit shall be paid to basic members only in accordance with the following table:

Age When Benefit Begins to Accrue	Supplementary Benefit
Under Age 56	\$50
56	45
57	40
58	35
59	30
60	25
61	20
62	15
63	10
64	5

(2) The disability benefit granted to members covered under section 354.44, subdivision 6 or 7 shall be computed in the same manner as the annuity provided in section 354.44, subdivision 6 or 7 of that section, whichever is applicable. The disability benefit shall be the formula annuity without the reduction for each month the member is under normal retirement age 65 when the benefit begins to accrue.

(3) For the purposes of computing a retirement annuity when the member becomes eligible, the amounts paid for disability benefits shall not be deducted from the individual member's accumulated deductions. If the disability benefits provided in this subdivision exceed the monthly average salary of the disabled member, the disability benefits shall be reduced to an amount equal to the disabled member's average salary.

Sec. 66. Minnesota Statutes 1988, section 354.48, subdivision 10, is amended to read:

Subd. 10. [RETIREMENT STATUS AT NORMAL RETIREMENT AGE 65.] No person shall be entitled to receive both a disability benefit and a retirement annuity provided by this chapter. The disability benefit paid to a person hereunder shall terminate at the end of the month in which the person attains ~~the~~ normal retirement age of 65 years. If the person is still totally and permanently

disabled at the beginning of the month next following the month in which the person attains the normal retirement age of 65 years, the person shall be deemed to be on retirement status and, if the person had elected an optional annuity pursuant to subdivision 3a, shall receive an annuity in accordance with the terms of the optional annuity previously elected, or, if the person had not elected an optional annuity pursuant to subdivision 3a, may at the option of the person elect to receive either a straight life retirement annuity computed pursuant to section 354.44 or a straight life retirement annuity equal to the disability benefit paid prior to the date on which the person attained the age of 65 years, whichever amount is greater, or elect to receive an optional annuity as provided in section 354.45, subdivision 1. Election of an optional annuity shall be made prior to the person attaining the normal retirement age of 65 years. If an optional annuity is elected, the election shall be effective on the date on which the person attains the normal retirement age of 65 years and the optional annuity shall begin to accrue on the first day of the month next following the month in which the person attains the that age of 65 years.

Sec. 67. Minnesota Statutes 1988, section 354.49, subdivision 2, is amended to read:

Subd. 2. Except as provided in section 354.44, subdivision 1, any person who ceases to be a member by reason of termination of teaching service, shall receive a refund in an amount equal to the accumulated deductions credited to the account as of June 30, 1957, and after July 1, 1957, the accumulated deductions with interest at the rate of five six percent per annum compounded annually plus any variable annuity account accumulations payable pursuant to section 354.62, subdivision 5, clause (4). For the purpose of this subdivision, interest shall be computed on fiscal year end balances to the first day of the month in which the refund is issued.

Sec. 68. Minnesota Statutes 1988, section 354.49, subdivision 3, is amended to read:

Subd. 3. Any person who has attained the normal retirement age of at least 65 with less than five three years of credited allowable service shall be entitled to receive a refund in an amount equal to the person's accumulated deductions plus interest in lieu of a proportionate annuity pursuant to section 356.32 except those covered under the provisions of section 354.44, subdivision 6 or 7 in which case the refund shall be an amount equal to the accumulated deductions credited to the person's account as of June 30, 1957, and after July 1, 1957, the accumulated deductions plus interest at the rate of five six percent compounded annually.

Sec. 69. Minnesota Statutes 1988, section 354.55, subdivision 11, is amended to read:

Subd. 11. [DEFERRED ANNUITY; AUGMENTATION.] Any person covered under section 354.44, subdivisions 6 and 7, who ceases to render teaching service may leave the person's accumulated deductions in the fund for the purpose of receiving a deferred annuity at retirement. Eligibility for an annuity under this subdivision shall be governed pursuant to section 354.44, subdivision 1, or 354.60.

The amount of the deferred retirement annuity shall be determined by section 354.44, subdivisions 6 and 7, and augmented as provided in this subdivision. The required reserves related to that portion of the annuity which had accrued when the member ceased to render teaching service shall be augmented by interest compounded annually from the first day of the month following the month during which the member ceased to render teaching service to the effective date of retirement. There shall be no augmentation if this period is less than three months or if this period commences prior to July 1, 1971. The rates of interest used for this purpose shall be five percent compounded annually commencing July 1, 1971, until January 1, 1981, and three percent compounded annually thereafter until January 1 of the year following the year in which the former member attains age 55. From that date to the effective date of retirement, the rate is five percent compounded annually. If a person has more than one period of uninterrupted service, a separate average salary determined under section 354.44, subdivision 6, must be used for each period and the required reserves related to each period shall be augmented by interest pursuant to this subdivision. The sum of the augmented required reserves so determined shall be the basis for purchasing the deferred annuity. If a person repays a refund, the service restored by the repayment must be considered as continuous with the next period of service for which the person has credit with this fund. If a person does not render teaching service in any one fiscal year or more consecutive fiscal years and then resumes teaching service, the formula percentages used from the date of the resumption of teaching service shall be those applicable to new members. The mortality table and interest assumption used to compute the annuity shall be the applicable mortality table established by the board under section 354.07, subdivision 1, and the interest rate assumption under section 356.215 in effect when the member retires. A period of uninterrupted service for the purposes of this subdivision means a period of covered teaching service during which the member has not been separated from active service for more than one fiscal year.

The provisions of this subdivision shall not apply to variable account accumulations as defined in section 354.05, subdivision 23.

In no case shall the annuity payable under this subdivision be less than the amount of annuity payable pursuant to section 354.44, subdivisions 6 and 7.

The requirements and provisions for retirement before normal

retirement age 65 contained in section 354.44, subdivision 6, clause ~~(2)~~ (3) or (5), shall also apply to an employee fulfilling the requirements with a combination of service as provided in section 354.60.

The augmentation provided by this subdivision applies to the benefit provided in section 354.46, subdivision 2.

The augmentation provided by this subdivision shall not apply to any period in which a person is on an approved leave of absence from an employer unit covered by the provisions of this chapter.

Sec. 70. Minnesota Statutes 1988, section 354.60, is amended to read:

354.60 [SERVICE IN OTHER PUBLIC RETIREMENT FUNDS; ANNUITY.]

Any person who has been a member of the Minnesota state retirement system or the public employees retirement association including the public employees retirement association police and fire fund or the teachers retirement association or the Minnesota state patrol retirement association, or any other public employee retirement system in the state of Minnesota having a like provision but excluding all other funds providing benefits for police officers or firefighters shall be entitled when qualified to an annuity from each fund if the person's total allowable service in all three funds or in any two of these funds totals ~~five~~ three or more years, provided no portion of the allowable service upon which the retirement annuity from one fund is based is again used in the computation for benefits from another fund and provided further that the person has not taken a refund from any one of these three funds since the person's membership in that association has terminated. The annuity from each fund shall be determined by the appropriate provisions of the law except that the requirement that an annuitant have at least ~~five~~ three years' membership service or ~~five~~ three years of allowable service in the respective association shall not apply for the purposes of this section provided the combined service in two or more of these funds equals ~~five~~ three or more years.

Sec. 71. Minnesota Statutes 1988, section 354A.011, is amended by adding a subdivision to read:

Subd. 15a. [NORMAL RETIREMENT AGE.] "Normal retirement age" means age 65 for a person who first became a member of the coordinated program of the Minneapolis or St. Paul teachers retirement fund association or the new law coordinated program of the Duluth teachers retirement fund association before July 1, 1989. For a person who first became a member of the coordinated program of the Minneapolis or St. Paul teachers retirement fund association or the new law coordinated program of the Duluth teachers retirement fund association after June 30, 1989, normal retirement age

means the higher of age 65 or retirement age, as defined in United States Code, title 42, section 416(l), as amended. For a person who is a member of the basic program of the Minneapolis or St. Paul teachers retirement fund association or the old law coordinated program of the Duluth teachers retirement fund association, normal retirement age means the age at which a teacher becomes eligible for a normal retirement annuity computed upon meeting the age and service requirements specified in the applicable provisions of the articles of incorporation or bylaws of the respective teachers retirement fund association.

Sec. 72. Minnesota Statutes 1988, section 354A.011, subdivision 20, is amended to read:

Subd. 20. [REDUCED RETIREMENT ANNUITY.] "Reduced retirement annuity" means for a coordinated member the retirement annuity computed pursuant to section 354A.31, subdivision 4, reduced pursuant to section 354A.31, subdivision 6 or 7, and paid or payable to a member upon meeting the minimum age and service requirements specified in section 354A.31, subdivision 1, but prior to meeting the age and service requirements specified in section 354A.31, subdivision 5, and for a basic member the retirement annuity computed pursuant to and paid or payable to a member upon meeting the minimum age and service requirements specified in but prior to meeting the age and service requirements for a normal retirement annuity specified in the applicable provisions of the articles of incorporation or bylaws of the respective teachers retirement fund association.

Sec. 73. Minnesota Statutes 1988, section 354A.21, is amended to read:

354A.21 [PROPORTIONATE ANNUITY.]

A teacher who terminates employment at any time during the academic year at the end of which the teacher is required to terminate employment pursuant to this section shall be entitled upon application to a proportionate retirement annuity pursuant to section 356.32. Nothing contained in this section shall preclude a district from employing a retired teacher as a substitute teacher but upon having earned an amount equal to the annual maximum earnings allowable for that age for the continued receipt of full benefit amounts monthly under the federal old age, survivors and disability insurance program as set by the secretary of health and human services pursuant to the provisions of United States Code, title 42, section 403, in any academic year from employment as a substitute teacher, any person over the age of 70 years shall terminate employment for the remainder of that academic year. No person employed as a substitute teacher after reaching the normal retirement age of at least 65 years and who has retired under this

chapter shall resume membership in the teachers retirement fund association by virtue of the employment as a substitute teacher.

Sec. 74. Minnesota Statutes 1988, section 354A.31, subdivision 1, is amended to read:

Subdivision 1. [AGE AND SERVICE REQUIREMENTS.] Any coordinated member or former coordinated member who has ceased to render teaching service for the school district in which the teachers retirement fund association exists and who has either attained the age of at least 55 years with not less than five three years of allowable service credit or received credit for not less than 30 years of allowable service regardless of age, shall be entitled upon written application to a retirement annuity.

Sec. 75. Minnesota Statutes 1988, section 354A.31, subdivision 4, is amended to read:

Subd. 4. [COMPUTATION OF THE NORMAL COORDINATED RETIREMENT ANNUITY.] (a) The normal coordinated retirement annuity shall be an amount equal to a retiring coordinated member's average salary multiplied by the retirement annuity formula percentage. Average salary for purposes of this section shall mean an amount equal to the average salary upon which contributions were made for the highest five successive years of service credit, but which shall not in any event include any more than the equivalent of 60 monthly salary payments. Average salary must be based upon all years of service credit if this service credit is less than five years.

(b) This paragraph, in conjunction with subdivision 6, applies to a person who first became a member before July 1, 1989, unless paragraph (c), in conjunction with subdivision 7, produces a higher annuity amount, in which case paragraph (c) will apply. The retirement annuity formula percentage for purposes of this section shall mean paragraph is one percent per year for each year of coordinated service for the first ten years and 1½ percent for each year of coordinated service thereafter.

(c) This paragraph applies to a person who first becomes a member after June 30, 1989, and to any other member whose annuity amount, when calculated under this paragraph and in conjunction with subdivision 7 is higher than it is when calculated under paragraph (b), in conjunction with the provisions of subdivision 6. The retirement annuity formula percentage for purposes of this paragraph is 1½ percent for each year of coordinated service.

Sec. 76. Minnesota Statutes 1988, section 354A.31, subdivision 5, is amended to read:

Subd. 5. [UNREDUCED NORMAL RETIREMENT ANNUITY.]

Upon retirement at normal retirement age 65 with at least five three years of service credit or at age 62 with at least 30 years of service credit, a coordinated member shall be entitled to a normal retirement annuity calculated pursuant to subdivision 4.

Sec. 77. Minnesota Statutes 1988, section 354A.31, subdivision 6, is amended to read:

Subd. 6. [REDUCED RETIREMENT ANNUITY.] This subdivision applies only to a person who first became a coordinated member before July 1, 1989, and whose annuity is higher when calculated using the retirement annuity formula percentage in subdivision (4), paragraph (b), in conjunction with this subdivision than when calculated under subdivision 4, paragraph (c), in conjunction with subdivision 7.

(a) Upon retirement at an age prior to normal retirement age 65 with five three years of service credit or prior to age 62 with at least 30 years of service credit, a coordinated member shall be entitled to a retirement annuity in an amount equal to the normal retirement annuity calculated using the retirement annuity formula percentage in subdivision (4), paragraph (b), reduced by one-half one-quarter of one percent for each month that the coordinated member is under the normal retirement age of 65 if the coordinated member has less than 30 years of service credit or is under the age of 62 if the coordinated member has at least 30 years of service credit but is over the age of 59, and reduced by one-fourth of one percent for each month that the coordinated member is under the age of 60.

(b) Any coordinated member whose attained age plus credited allowable service totals 90 years is entitled, upon application, to a retirement annuity in an amount equal to the normal retirement annuity calculated using the retirement annuity formula percentage in subdivision (4), paragraph (b), without any reduction by reason of early retirement.

Sec. 78. Minnesota Statutes 1988, section 354A.31, is amended by adding a subdivision to read:

Subd. 7. [ACTUARIAL REDUCTION FOR EARLY RETIREMENT.] This subdivision applies to a person who first becomes a coordinated member after June 30, 1989, and to any other coordinated member whose annuity is higher when calculated using the retirement annuity formula percentage in subdivision 4, paragraph (c), in conjunction with this subdivision than when calculated under subdivision 4, paragraph (b), in conjunction with subdivision 6. A coordinated member who retires before the full benefit age shall be paid the retirement annuity calculated using the retirement annuity formula percentage in subdivision 4, paragraph (c), reduced so that the reduced annuity is the actuarial equivalent of the annuity that would be payable to the member if the member deferred receipt

of the annuity and the annuity amount were augmented at an annual rate of three percent compounded annually from the day the annuity begins to accrue until the normal retirement age.

Sec. 79. Minnesota Statutes 1988, section 354A.32, subdivision 1, is amended to read:

Subdivision 1. [OPTIONAL FORMS GENERALLY.] The boards of the Minneapolis and the St. Paul teachers retirement fund associations shall each establish for the coordinated program and the board of the Duluth teachers retirement fund association shall establish for the new law coordinated program an optional retirement annuity which shall take the form of a joint and survivor annuity. Each board may also in its discretion establish an optional annuity which shall take the form of an annuity payable for a period certain and for life thereafter. Each board shall also establish an optional retirement annuity which shall take the form of a guarantee that in the event of death the balance of the accumulated deductions shall be paid to a designated beneficiary. Except as provided in subdivision 1a, optional annuity forms shall be the actuarial equivalent of the normal forms provided in section 354A.31. In establishing these optional annuity forms, the board shall obtain the written recommendation of the commission-retained actuary. The recommendation shall be a part of the permanent records of the board.

Sec. 80. Minnesota Statutes 1988, section 354A.32, is amended by adding a subdivision to read:

Subd. 1a. [BOUNCE-BACK ANNUITY.] (a) If a former coordinated member or disabilitant has selected a joint and survivor annuity option under subdivision 1, the former member or disabilitant must receive a normal single-life annuity if the designated optional annuity beneficiary dies before the former member or disabilitant. Under this option, no reduction may be made in the person's annuity to provide for restoration of the normal single-life annuity in the event of the death of the designated optional annuity beneficiary.

(b) A former coordinated member or disabilitant who selected an optional joint and survivor annuity before July 1, 1989, but did not choose an option that provides that the normal single-life annuity is payable to the former member or the disabilitant if the designated optional annuity beneficiary dies first, is eligible for restoration of the normal single-life annuity if the designated optional annuity beneficiary dies first, without further actuarial reduction of the person's annuity. A former member or disabilitant who selected an optional joint and survivor annuity, but whose designated optional annuity beneficiary died before July 1, 1989, shall receive a normal single-life annuity after that date, but shall not receive retroactive payments for periods before that date.

(c) A former coordinated member or disabilitant who took a further actuarial reduction to elect an optional joint and survivor annuity that provides that the normal annuity is payable to the former member or disabilitant if the designated optional beneficiary died before July 1, 1989, shall have the annuity increased as of July 1, 1989, to the amount the person would have received if, at the time of retirement or disability, the person had selected only optional survivor coverage that would not have provided for restoration of the normal annuity upon the death of the designated optional annuity beneficiary. Any annuity or benefit increase under this paragraph is effective only for payments made after June 30, 1989, and is not retroactive for payments made before July 1, 1989.

Sec. 81. Minnesota Statutes 1988, section 354A.35, subdivision 1, is amended to read:

Subdivision 1. [DEATH BEFORE RETIREMENT; REFUND.] If a coordinated member or former coordinated member dies prior to retirement or prior to the receipt of any retirement annuity or other benefit payment which is or may be payable and a surviving spouse optional annuity is not payable pursuant to subdivision 2, a refund shall be paid to the person's surviving spouse, or if there is none, to the person's designated beneficiary, or if there is none, to the legal representative of the person's estate. The refund shall be in an amount equal to the person's accumulated contributions plus interest at the rate of five six percent per annum compounded annually.

Sec. 82. Minnesota Statutes 1988, section 354A.35, subdivision 2, is amended to read:

Subd. 2. [DEATH WHILE ELIGIBLE TO RETIRE; SURVIVING SPOUSE OPTIONAL ANNUITY.] The surviving spouse of any coordinated member who has attained the age of at least 50 years and has credit for at least five three years of service or has credit for at least 30 years of service regardless of age shall be entitled to joint and survivor annuity coverage in the event of death of the member prior to retirement. The surviving spouse may apply for the annuity at any time after the date on which the deceased employee would have attained the required age for retirement based on the employee's allowable service. The member's surviving spouse shall be paid a joint and survivor annuity as provided in section 354A.32 and computed pursuant to section 354A.31. Sections 354A.37, subdivision 2, and 354A.39 apply to a deferred annuity payable under this section. The benefits shall be payable for life.

Sec. 83. Minnesota Statutes 1988, section 354A.36, subdivision 1, is amended to read:

Subdivision 1. [MINIMUM AGE, SERVICE AND SALARY REQUIREMENTS.] Any coordinated member who has at least five three years of allowable service credit, has an average salary of at

least \$75 per month and has become totally and permanently disabled shall be entitled to a disability benefit. If the disabled coordinated member's allowable service credit has not been continuous, at least three two years of the required allowable service shall be required to have been rendered subsequent to the last interruption in service.

Sec. 84. Minnesota Statutes 1988, section 354A.36, subdivision 3, is amended to read:

Subd. 3. [COMPUTATION OF DISABILITY BENEFIT.] The coordinated permanent disability benefit shall be an amount equal to the normal coordinated retirement annuity computed pursuant to section 354A.31, subdivision 4, based on allowable service credited to the date of disability but without any reduction for the commencement of the benefit prior to the attainment of normal retirement age 65 or age 62 with at least 30 years of service credit as specified in section 354A.31, subdivision 6. The disabled coordinated member shall not be entitled to elect an optional annuity form pursuant to section 354A.32 prior to attaining normal retirement age 65 as provided in subdivision 10.

Sec. 85. Minnesota Statutes 1988, section 354A.36, subdivision 10, is amended to read:

Subd. 10. [RETIREMENT STATUS UPON ATTAINING NORMAL RETIREMENT AGE 65.] No person shall be entitled to receive both a disability benefit under this section and a retirement annuity under section 354A.31. If a disability benefit recipient remains totally and permanently disabled upon attaining normal retirement age 65, the disability benefit shall terminate and the former disability benefit recipient shall be deemed to be on retirement status. If the former disability benefit recipient had elected an optional annuity pursuant to subdivision 3a, the recipient shall receive an annuity in accordance with the terms of the optional annuity previously elected, or if the recipient had not elected an optional annuity pursuant to subdivision 3a, the recipient shall be entitled either to receive a retirement annuity in an amount equal to the greater of either a single life retirement annuity calculated pursuant to section 354A.31 or the disability benefit paid to the recipient immediately prior to the recipient's attaining normal retirement age 65 or elect either a single life retirement annuity as provided in this section or an actuarial equivalent optional form retirement annuity as provided in section 354A.32. Election of an optional annuity shall be made prior to the person attaining the normal retirement age of 65 years. If an optional annuity is elected, the election shall be effective on the date on which the person attains the normal retirement age of 65 years and the optional annuity shall begin to accrue on the first day of the month next following the month in which the person attains the normal retirement age of 65 years.

Sec. 86. Minnesota Statutes 1988, section 354A.37, subdivision 2, is amended to read:

Subd. 2. [ELIGIBILITY FOR DEFERRED RETIREMENT ANNUITY.] Any coordinated member who ceases to render teaching services for the school district in which the teachers retirement fund association is located, with sufficient allowable service credit to meet the minimum service requirements specified in section 354A.31, subdivision 1, shall be entitled to a deferred retirement annuity in lieu of a refund pursuant to subdivision 1. The deferred retirement annuity shall be computed pursuant to section 354A.31 and it shall be augmented as provided in this subdivision. The deferred annuity shall commence upon application after the person on deferred status attains at least the minimum age specified in section 354A.31, subdivision 1.

The monthly annuity amount that had accrued when the member ceased to render teaching service must be augmented from the first day of the month following the month during which the member ceased to render teaching service to the effective date of retirement. There is no augmentation if this period is less than three months. The rate of augmentation is three percent compounded annually until January 1 of the year following the year in which the former member attains age 55, and five percent compounded annually after that date to the effective date of retirement. If a person has more than one period of uninterrupted service, a separate average salary determined under section 354A.31 must be used for each period, and the monthly annuity amount related to each period must be augmented as provided in this subdivision. The sum of the augmented monthly annuity amounts determines the total deferred annuity payable. If a person repays a refund, the service restored by the repayment must be considered as continuous with the next period of service for which the person has credit with the fund. If a person does not render teaching services in any one fiscal year or more consecutive fiscal years and then resumes teaching service, the formula percentages used from the date of resumption of teaching service are those applicable to new members. The mortality table and interest assumption used to compute the annuity are the table established by the fund to compute other annuities, and the interest assumption under section 356.215 in effect when the member retires. A period of uninterrupted service for the purpose of this subdivision means a period of covered teaching service during which the member has not been separated from active service for more than one fiscal year.

The augmentation provided by this subdivision applies to the benefit provided in section 354A.35, subdivision 2. The augmentation provided by this subdivision does not apply to any period in which a person is on an approved leave of absence from an employer unit.

Sec. 87. Minnesota Statutes 1988, section 354A.37, subdivision 3, is amended to read:

Subd. 3. [COMPUTATION OF REFUND AMOUNT.] A former coordinated member who qualifies for a refund pursuant to subdivision 1 shall receive a refund equal to the amount of the former coordinated member's accumulated contributions with interest at the rate of five six percent per annum compounded annually.

Sec. 88. Minnesota Statutes 1988, section 354A.37, subdivision 4, is amended to read:

Subd. 4. [CERTAIN REFUNDS AT NORMAL RETIREMENT AGE 65.] Any coordinated member who has attained the normal retirement age of at least 65 with less than ten years of allowable service credit and has terminated active teaching service shall be entitled to a refund in lieu of a proportionate annuity pursuant to section 356.32. The refund shall be equal to the coordinated member's accumulated employee contributions plus interest at the rate of five six percent compounded annually.

Sec. 89. Minnesota Statutes 1988, section 354A.39, is amended to read:

354A.39 [SERVICE IN OTHER PUBLIC RETIREMENT FUNDS; ANNUITY.]

Any person who has been a member of the Minnesota state retirement system, the public employees retirement association including the public employees retirement association police and fire fund, the teachers retirement association, the Minnesota state patrol retirement association, the legislators retirement plan, the constitutional officers retirement plan, the Minneapolis employees retirement fund, the Duluth teachers retirement fund association new law coordinated program, the Minneapolis teachers retirement fund association coordinated program, the St. Paul teachers retirement fund association coordinated program, or any other public employee retirement system in the state of Minnesota having a like provision but excluding all other funds providing retirement benefits for police officers or firefighters shall be entitled when qualified to an annuity from each fund if the person's total allowable service in all of the funds or in any two or more of the funds totals five three or more years, provided that no portion of the allowable service upon which the retirement annuity from one fund is based is used again in the computation for a retirement annuity from another fund and provided further that the person has not taken a refund from any of funds or associations since the person's membership in the fund or association has terminated. The annuity from each fund or association shall be determined by the appropriate provisions of the law governing each fund or association, except that the requirement that a person must have at least five three years of allowable service in

the respective fund or association shall not apply for the purposes of this section, provided that the aggregate service in two or more of these funds equals five three or more years.

Sec. 90. Minnesota Statutes 1988, section 356.215, subdivision 4d, is amended to read:

Subd. 4d. [INTEREST AND SALARY ASSUMPTIONS.] For funds governed by chapters 3A, 352, 352B, 352C, 353, 353C, 354 other than the variable annuity fund governed by section 354.62, and 490, the actuarial valuation shall use a preretirement interest assumption of eight 8.5 percent, a postretirement interest assumption of five percent, and an assumption that in each future year the salary on which a retirement or other benefit is based is 1.065 multiplied by the salary for the preceding year. For funds governed by chapter 354A, the actuarial valuation shall use preretirement and postretirement assumptions of eight 8.5 percent and an assumption that in each future year the salary on which a retirement or other benefit is based is 1.065 multiplied by the salary for the preceding year, but the actuarial valuation shall reflect the payment of postretirement adjustments to retirees shall be based on the methods specified in the bylaws of the fund as approved by the legislature. For all other funds, the actuarial valuation shall use a preretirement interest assumption of five percent, a postretirement interest assumption of five percent, and an assumption that in each future year the salary on which a retirement or other benefit is based is 1.035 multiplied by the salary for the preceding year.

For funds governed by chapters 3A, 352C, and 490, the actuarial valuation shall use a preretirement interest assumption of eight 8.5 percent, a postretirement interest assumption of five percent, and an assumption that in each future year in which the salary amount payable is not determinable from section 3.099, 15A.081, subdivision 6, or 15A.083, subdivision 1, whichever is applicable, or from applicable compensation council recommendations under section 15A.082, the salary on which a retirement or other benefit is based is 1.065 multiplied by the known or computed salary for the preceding year, whichever is applicable.

Sec. 91. Minnesota Statutes 1988, section 356.215, subdivision 4g, is amended to read:

Subd. 4g. [AMORTIZATION CONTRIBUTIONS.] In addition to the exhibit indicating the level normal cost, the actuarial valuation shall contain an exhibit indicating the additional annual contribution which would be required to amortize the unfunded actuarial accrued liability. For funds governed by chapters 3A, 352, 352B, 352C, 353, 353C, 354, 354A, and 490, the additional contribution shall be calculated on a level percentage of covered payroll basis by the established date for full funding which is in effect when the valuation is prepared. The level percent additional contribution

shall be calculated assuming annual payroll growth of 6.5 percent. For all other funds, the additional annual contribution shall be calculated on a level annual dollar amount basis.

If, for any fund other than the Minneapolis employees retirement fund, after the first actuarial valuation date occurring after June 1, ~~1979~~ 1989, there has not been a change in the actuarial assumptions used for calculating the actuarial accrued liability of the fund, a change in the benefit plan governing annuities and benefits payable from the fund, a change in the actuarial cost method used in calculating the actuarial accrued liability of all or a portion of the fund, or a combination of the three, which change or changes by themselves without inclusion of any other items of increase or decrease produce a net increase in the unfunded actuarial accrued liability of the fund, the established date for full funding for the first actuarial valuation made after June 1, ~~1979~~ 1989, and each successive actuarial valuation shall be the first actuarial valuation date which occurs after June 1, ~~2009~~ 2020.

If, for any fund or plan other than the Minneapolis employees retirement fund, after the first actuarial valuation date occurring after June 1, ~~1979~~ 1989, there has been a change in any or all of the actuarial assumptions used for calculating the actuarial accrued liability of the fund, a change in the benefit plan governing annuities and benefits payable from the fund, a change in the actuarial cost method used in calculating the actuarial accrued liability of all or a portion of the fund, or a combination of the three, and the change or changes, by themselves and without inclusion of any other items of increase or decrease, produce a net increase in the unfunded actuarial accrued liability in the fund, the established date for full funding shall be determined using the following procedure:

(i) the unfunded actuarial accrued liability of the fund shall be determined in accordance with the plan provisions governing annuities and retirement benefits and the actuarial assumptions in effect before an applicable change;

(ii) the level annual dollar contribution or level percentage, whichever is applicable, which is needed to amortize the unfunded actuarial accrued liability amount determined pursuant to subclause (i) by the established date for full funding in effect prior to the change shall be calculated using the interest assumption specified in subdivision 4d in effect before the change;

(iii) the unfunded actuarial accrued liability of the fund shall be determined in accordance with any new plan provisions governing annuities and benefits payable from the fund and any new actuarial assumptions and the remaining plan provisions governing annuities and benefits payable from the fund and actuarial assumptions in effect before the change;

(iv) the level annual dollar contribution or level percentage, whichever is applicable, which is needed to amortize the difference between the unfunded actuarial accrued liability amount calculated pursuant to subclause (i) and the unfunded actuarial accrued liability amount calculated pursuant to subclause (iii) over a period of 30 years from the end of the plan year in which the applicable change is effective shall be calculated using the applicable interest assumption specified in subdivision 4d in effect after any applicable change;

(v) the level annual dollar or level percentage amortization contribution pursuant to subclause (iv) shall be added to the level annual dollar amortization contribution or level percentage calculated pursuant to subclause (ii);

(vi) the period in which the unfunded actuarial accrued liability amount determined in subclause (iii) will be amortized by the total level annual dollar or level percentage amortization contribution computed pursuant to subclause (v) shall be calculated using the interest assumption specified in subdivision 4d in effect after any applicable change, rounded to the nearest integral number of years, but which shall not exceed a period of 30 years from the end of the plan year in which the determination of the established date for full funding using the procedure set forth in this clause is made and which shall not be less than the period of years beginning in the plan year in which the determination of the established date for full funding using the procedure set forth in this clause is made and ending by the date for full funding in effect before the change; and

(vii) the period determined pursuant to subclause (vi) shall be added to the date as of which the actuarial valuation was prepared and the date obtained shall be the new established date for full funding.

For the Minneapolis employees retirement fund, the established date for full funding shall be June 30, 2017.

Sec. 92. Minnesota Statutes 1988, section 356.30, subdivision 1, is amended to read:

Subdivision 1. [ELIGIBILITY; COMPUTATION OF ANNUITY.]

(1) Notwithstanding any provisions to the contrary of the laws governing the funds enumerated in subdivision 3, a person who has met the qualifications of clause (2) may elect to receive a retirement annuity from each fund in which the person has at least six months allowable service, based on the allowable service in each fund, subject to the provisions of clause (3).

(2) A person may receive upon retirement, in lieu of any augmentation of deferred annuities provided by laws governing the funds

enumerated in subdivision 3, a retirement annuity from each fund in which the person has at least six months allowable service if

(a) the person has allowable service totaling five or more years an amount that allows the person to receive an annuity in any two or more of the enumerated funds;

(b) the person has at least six months of allowable service with the last such fund earned during the last period of employment; and

(c) the person has not begun to receive an annuity from any enumerated fund or the person has made application for benefits from all funds within a six-month period.

(3) The retirement annuity from each fund shall be based upon the allowable service in each fund, except that:

(a) The laws governing annuities shall be the law in effect on the date of final termination from the last public service under a covered fund.

(b) The "average salary" on which the annuity from each covered fund in which the employee has credit in a formula plan shall be based on the employee's highest five successive years of covered salary during the entire service in covered funds.

(c) The formula percentages to be used by each fund shall be those percentages prescribed by each fund's formula as continued for the respective years of allowable service from one fund to the next, recognizing all previous allowable service with the other covered funds.

(d) Allowable service in all the funds shall be combined in determining eligibility for and the application of each fund's provisions in respect to actuarial reduction in the benefit amount for retirement prior to normal retirement.

(e) The benefit amount payable for any allowable service under a nonformula plan of a covered fund shall not be affected but such service and covered salary shall be used in the above calculation.

(f) This section shall not apply to any person whose final termination from the last public service under a covered fund is prior to May 1, 1975.

(g) For the purpose of computing benefits under this section the formula percentages used by any covered fund shall in no event exceed 2½ percent per year of service for any year of service or fraction thereof.

(h) Any period of time for which a person has credit in more than one of the covered funds shall be used only once for the purpose of determining total allowable service.

(i) If the period of duplicated service credit is more than six months, or the person has credit for more than six months with each of the funds, each fund shall apply its formula to a prorated service credit for the period of duplicated service based on a fraction of the salary on which deductions were paid to that fund for the period divided by the total salary on which deductions were paid to all funds for the period.

(j) If the period of duplicated service credit is less than six months, or when added to other service credit with that fund is less than six months, the service credit shall be ignored and a refund of contributions made to the person in accord with that fund's refund provisions.

Sec. 93. Minnesota Statutes 1988, section 356.32, subdivision 1, is amended to read:

Subdivision 1. [PROPORTIONATE RETIREMENT ANNUITY.] Notwithstanding any provision to the contrary of the laws governing any of the retirement funds referred to in subdivision 2, any person who is an active member of any applicable fund, who has credit for at least one year but less than ten years of allowable service in one or more of the applicable funds, and who terminates active service pursuant to a mandatory retirement law or policy or at age 65 or older, or the normal retirement age if this age is not age 65, for any reason shall be entitled upon making written application on the form prescribed by executive director or executive secretary of the fund to a proportionate retirement annuity from each applicable fund in which the person has allowable service credit. The proportionate annuity shall be calculated under the applicable laws governing annuities based upon allowable service credit at the time of retirement and the person's average salary for the highest five successive years of allowable service or the average salary for the entire period of allowable service if less than five years. Nothing in this section shall prevent the imposition of the appropriate early retirement reduction of an annuity which commences prior to normal retirement age.

Sec. 94. [FIRST CLASS CITY TEACHER FUNDS.]

In accordance with Minnesota Statutes, section 354A.12, subdivision 4, approval is granted for the teachers retirement fund associations in each of the cities of the first class to amend their articles of incorporation or bylaws in the manner specified in this section. The amendments apply only to basic members in the Minneapolis teachers retirement fund association and the St. Paul teachers

retirement fund association, and to old law coordinated program members in the Duluth teachers retirement fund association.

(a) For purposes of this paragraph, the retirement formula percentages are:

(1) for Minneapolis teachers retirement fund: 2.25 percent for each year of service;

(2) for St. Paul teachers retirement fund: 2.0 percent for each year of service; and

(3) for Duluth teachers retirement fund old coordinated plan: 1.25 percent for each year of service.

A member whose age plus credited allowable service totals 90 years, is entitled upon termination of active service and application, to a normal retirement annuity provided in the articles and bylaws without any reduction in the amount of the annuity by reason of early retirement unless the benefit in paragraph (b) in conjunction with paragraph (c) produces a higher annuity in which case, paragraph (b) applies. A member who retires before the normal retirement age shall be provided a normal retirement annuity provided in the articles and bylaws, reduced by one-fourth of one percent for each month that the employee is under normal retirement age at the time of retirement unless the benefit in paragraph (b) in conjunction with paragraph (c) produces a higher annuity, in which case paragraph (b) applies. For the Minneapolis teachers retirement association, this paragraph applies only to basic members with less than 30 years of service who have attained age 55. For Minneapolis teachers retirement fund basic members who were first hired after July 1, 1977, and who have 30 or more years of service, the early retirement penalty contained in the articles and bylaws is repealed.

(b) This paragraph applies only to a member whose annuity, when calculated under this paragraph in conjunction with paragraph (c), is higher than when calculated under paragraph (a). The average salary, as specified in the bylaws of St. Paul teachers retirement fund association, the bylaws of Duluth teachers retirement fund association, and the bylaws of Minneapolis teachers retirement fund association, multiplied by 2.5 percent for each year of service for basic members and 1.5 percent for each year of service for old coordinated members of Duluth teachers retirement fund association, shall determine the amount of the retirement annuity to which a member is entitled.

(c) This paragraph applies only to a member whose annuity under paragraph (b) in conjunction with this paragraph is higher than when calculated under paragraph (a). A member who retires under the formula annuity specified in paragraph (b) before the normal

retirement age defined in section 354A.011, shall be paid the normal annuity provided in paragraph (b) reduced so that the reduced annuity is the actuarial equivalent of the annuity that would be payable to the employee if the employee deferred receipt of the annuity and the annuity amount were augmented at an annual rate of three percent compounded annually from the day the annuity begins to accrue until the normal retirement age.

(d) The interest rate to be paid on refunds is six percent per annum compounded annually.

(e) Any joint and survivor annuity option is subject to an automatic bounce-back annuity as provided in section 354A.32, subdivision 1a.

(f) A member who is eligible for a deferred retirement annuity shall have the annuity augmented as provided in section 354A.37, subdivision 2.

(g) The first class city teachers retirement funds, may provide optional annuity forms to its retirement program which are the actuarial equivalent of its normal retirement annuity. For all optional forms, the board shall obtain the written recommendation of an approved actuary and the recommendation shall be a part of the permanent records of the board.

Sec. 95. [356.81] [SAVINGS CLAUSE.]

The intent of the legislature in sections 352.01, subdivision 25; 353.01, subdivision 35; 354.05, subdivision 38; and 354A.011, subdivision 15a is to create a normal retirement age for persons first covered by those sections after the effective date of those sections that is the same as the retirement age in the federal Social Security law, including future amendments to that law. If a court determines that the legislature may not incorporate by reference the future changes in federal Social Security law, the legislature reserves the right to amend the appropriate sections to make the normal retirement conform to the retirement age in the federal Social Security law. No person first covered by any of those sections after the effective date of those sections has a right to a normal retirement age that is less than the retirement age in the federal Social Security law.

Sec. 96. [356.85] [REVIEW OF RULE OF 90.]

By September 1, 1993, the executive directors of the teachers retirement association, the state retirement system, and each teachers retirement fund association in a city of the first class must calculate the number of employees who were eligible to retire without any reduction in their annuity due to early retirement

because their attained age plus credited allowable service totaled 90 years between the effective date of sections 352.116; 354.44, subdivision 6; 354A.31, subdivision 6, and 98 and June 30, 1993. The executive directors must also calculate the number of these employees who did retire early and who received an unreduced annuity because their attained age plus credited allowable service totaled 90 years. The executive directors must report the results of their calculation to the executive director of the legislative commission on pensions and retirement. If the calculation shows that number of employees from all of the systems combined who did retire under the rule of 90 is more than 45 percent of the number from all the systems who were eligible to retire under the rule of 90, sections 352.116, subdivision 1, paragraph (b), section 354.44, subdivision 6, clause (3)(iii), section 354A.31, subdivision 6, paragraph (b), and any provision in the bylaws or articles of incorporation of a teachers retirement fund association in the city of the first class that permits unreduced retirement under the rule of 90 are not effective after June 30, 1994. The executive directors must make a similar combined calculation before September 1, 1998 and September 1 every five years after that, based on use of the rule of 90 during the four year period ending on the most recent June 30. If any calculation shows that the number of employees who retired under the rule of 90 is more than 45 percent of the number eligible to retire under the rule of 90, sections 352.116, subdivision 1, paragraph (b), section 354.44, subdivision 6, clause (3)(iii), section 354A.31, subdivision 6, paragraph (b), and any provision in the bylaws or articles of incorporation of a teachers retirement fund association in the city of the first class that permits unreduced retirement under the rule of 90 are not effective after the following June 30. The legislature reserves the right to amend or repeal sections 352.116, subdivision 1, paragraph (b), section 354.44, subdivision 6, clause (3)(iii), section 354A.31, subdivision 6, paragraph (b), and any provision in the bylaws or articles of incorporation of a teachers retirement fund association in the city of the first class that permits unreduced retirement under the rule of 90, effective July 1, 1994 and July 1 every fifth year after 1994.

Sec. 97. [APPROPRIATION.]

Subdivision 1. [GENERAL FUND.] There is appropriated from the general fund to the commissioner of finance \$3,916,000 in fiscal year 1990 and \$4,123,000 in fiscal year 1991 for allocation among state agencies and the University of Minnesota to offset the costs of increases in the employer contribution rate for the general plan of the Minnesota state retirement system. Of these amounts, \$800,000 in fiscal year 1990 and \$850,000 in fiscal year 1991 is for allocation among state supported accounts at the University of Minnesota in proportion to estimated salaries paid to members of the general plan of the Minnesota state retirement system; \$3,001,000 in fiscal year 1990 and \$3,152,000 in fiscal year 1991 is for allocation among state agencies in proportion to estimated salaries paid from the state

general fund to members of the general plan of the Minnesota state retirement system; and \$115,000 in fiscal year 1990 and \$121,000 in fiscal year 1991 is for allocation to state agencies in proportion to the estimated fiscal year 1989 salary part of the cost of services purchased by the agencies with state general fund monies from the following internal service funds: computer services, plant management, printing, motor pool, central stores, micrographics, telecommunications, general services, and office equipment.

Subd. 2. [OTHER FUNDS.] Except as limited by the direct appropriations from the state general fund made in this section, the amounts necessary to pay the cost of increases in the employer contribution rate for the general plan of the Minnesota state retirement system, are appropriated from the various funds in the state treasury from which salaries are paid, to the commissioner of finance, for the fiscal years ending June 30, 1990 and June 30, 1991.

Sec. 98. [REPEALER.]

Minnesota Statutes 1988, section 354A.32, subdivision 2, is repealed.

Sec. 99. [EFFECTIVE DATE.]

Sections 1 to 96 and 98 are effective May 16, 1989. Sections 86 and 94, paragraph (f), are effective May 16, 1989, and apply retroactively to a person who is eligible for a deferred retirement annuity on that date, and whose retirement annuity has not begun to accrue. The increased employee or member and employer contribution rates are effective on the first day of the first pay period occurring after July 1, 1989.

ARTICLE 14

PARTIAL POSTRETIREMENT ADJUSTMENTS

Section 1. Minnesota Statutes 1988, section 11A.18, subdivision 9, is amended to read:

Subd. 9. [CALCULATION OF POSTRETIREMENT ADJUSTMENT.] Annually, following June 30, the state board shall determine whether a postretirement adjustment shall be is payable and shall determine the amount of any postretirement adjustment which shall be that is payable.

(1) The state board shall determine whether a postretirement adjustment shall be is payable using the following procedure:

(a) The state board shall determine the amount of dividends,

interest, accruals and realized capital gains or losses applicable to the most recent fiscal year ending June 30;

(b) The amount of reserves required for the annuity or benefit payable to an annuitant and benefit recipient of the participating public pension plans or funds shall be determined by the commission-retained actuary as of the current June 30. An annuitant or benefit recipient who has been receiving an annuity or benefit for at least one year 12 full months as of the current June 30 shall be eligible to receive a full postretirement adjustment. An annuitant or benefit recipient who has been receiving an annuity or benefit for at least one full month, but less than 12 full months as of the current June 30, is eligible to receive a partial postretirement adjustment. Each fund shall report separately the amount of the reserves for those annuitants and benefit recipients who are eligible to receive a full postretirement benefit adjustment and. This amount is known as "eligible reserves." Each fund shall also report separately the amount of the reserves for those annuitants and benefit recipients who are not eligible to receive a postretirement adjustment shall be reported separately. This amount is known as "noneligible reserves." For an annuitant or benefit recipient who is eligible to receive a partial postretirement adjustment, each fund shall report separately as additional "eligible reserves" an amount that bears the same ratio to the total reserves required for the annuitant or benefit recipient as the number of full months of annuity or benefit receipt as of the current June 30 bears to 12 full months. The remainder of the annuitant's or benefit recipient's reserves shall be separately reported as additional "noneligible reserves." The amount of the "eligible" and "noneligible" required reserves shall be certified to the board by the commission-retained actuary as soon as is practical following the current June 30;

(c) The state board shall determine the amount of investment income required to equal five percent of the total amount of the required reserves as of the preceding June 30 adjusted by five percent of each transfer in or transfer out multiplied by the fraction of a year from the date of transfer to the current June 30. This amount of required investment income shall be subtracted from the actual amount of investment income determined according to clause (1)(a), to determine the amount of excess investment income. If this amount is positive, then a postretirement adjustment may be paid.

(2) The state board shall determine the amount of any postretirement adjustment which is payable using the following procedure:

(a) The state board shall determine the amount of excess investment income by the method indicated in clause (1);

(b) The total "eligible" required reserves as of the first of January next following the end of the fiscal year for the annuitants and benefit recipients eligible to receive the a full or partial postretire-

ment adjustment as determined by clause (1)(b) shall be certified to the state board by the commission-retained actuary. The total "eligible" required reserves shall be determined by the commission-retained actuary on the assumption that all annuitants and benefit recipients eligible to receive the a full or partial postretirement adjustment will be alive on the January 1 in question;

(c) If the state board determines that the book value of the assets of the fund is less than an amount equal to the total amount of the current June 30 required reserves, with the book value and required reserves to be determined after the adjustments provided for in subdivision 11, then the state board shall allocate five percent of the excess investment income as an asset of the fund. The excess investment income allocated as an asset of the fund shall not exceed the difference between book value and required reserves. The remaining amount shall be termed available for distribution. The book value of assets on any given date shall be the net assets at cost less the excess investment income determined pursuant to clause (1)(c);

(d) The resulting total amount available for distribution shall be increased by 2½ percent, and the result shall be stated as a percentage of the total amount of the required reserves pursuant to clause (2)(b), and if the percentage is equal to or greater than one percent, the amount shall be certified to each participating public pension fund or plan as the amount of the full postretirement adjustment amount. If the percentage is less than one percent, no postretirement adjustment shall be payable in that year and the amount otherwise available for distribution shall be credited to a separate reserve established for this purpose. The reserve shall be invested in the same manner as all other assets of the fund and shall be credited with any investment income as specified in clause (1)(a). Amounts credited to the reserve shall be utilized in determining a postretirement adjustment in the subsequent year. The amount of any full postretirement adjustment certified by the state board as payable to the participating public pension plans or funds shall be carried to five decimal places and stated as a percentage.

(e) A retirement annuity payable in the event of retirement before becoming eligible for social security benefits as provided in section 352.116, subdivision 3; 353.29, subdivision 6; or 354.35 must be treated as the sum of a period certain retirement annuity and a life retirement annuity for the purposes of any postretirement adjustment. The period certain retirement annuity plus the life retirement annuity shall be the annuity amount payable until age 62 or 65, whichever applies. A postretirement adjustment granted on the period certain retirement annuity must terminate when the period certain retirement annuity terminates.

Sec. 2. Minnesota Statutes 1988, section 11A.18, subdivision 10, is amended to read:

Subd. 10. [PAYMENT OF POSTRETIREMENT ADJUSTMENT.] Upon receiving the certification of the amount of the full postretirement adjustment from the state board, each participating public pension fund or plan shall determine the amount of the postretirement adjustment payable to each eligible annuitant and benefit recipient. The dollar amount of the postretirement adjustment payable to each annuitant or benefit recipient shall be calculated by applying the certified postretirement adjustment percentage to the amount of the monthly annuity or benefit payable to each eligible annuitant or benefit recipient eligible for a full adjustment.

The dollar amount of the partial postretirement adjustment payable to each annuitant or benefit recipient eligible for a partial adjustment shall be calculated by first determining a partial percentage amount that bears the same ratio to the certified full adjustment percentage amount as the number of full months of annuity or benefit receipt as of the current June 30 bears to 12 full months. The partial percentage amount determined shall then be applied to the amount of the monthly annuity or benefit payable to each annuitant or benefit recipient eligible to receive a partial postretirement adjustment. The postretirement adjustment adjustments shall commence to be paid on January 1 following the calculations required pursuant to this section and shall thereafter be included in the monthly annuity or benefit paid to the recipient. Notwithstanding section 356.18, any adjustment adjustments pursuant to this section shall be paid automatically unless the intended recipient files a written notice with the applicable participating public pension fund or plan requesting that the adjustment not be paid.

Sec. 3. [EFFECTIVE DATES.]

Sections 1 and 2 are effective the day following final enactment.

ARTICLE 15

PRE 1973 RETIREES

Section 1. [356.85] [POSTRETIREMENT ADJUSTMENT; LUMP SUM PAYMENTS.]

Subdivision 1. [ENTITLEMENT.] A person who is receiving a retirement annuity, a disability benefit or a surviving spouse's annuity or benefit from a retirement fund specified in subdivision 3, clauses (1) to (8) is entitled to receive a postretirement adjustment from the applicable retirement fund in the amount specified in subdivision 2, if the annuity or benefit was computed under:

(1) the laws in effect before June 1, 1973, if the person is receiving

an annuity or benefit from the retirement fund specified in subdivision 3, clause (4); or

(2) the laws in effect before July 1, 1973, if the person is receiving an annuity or benefit from a retirement fund specified in subdivision 3, clause (1), (2), (3), or (5); or

(3) the metropolitan transit commission-transit operating division employees retirement fund plan document in effect on or before December 31, 1977, if the person is receiving a retirement annuity, a disability benefit or a surviving spouse's annuity or benefit from the retirement fund specified in subdivision 3, clause (5); or

(4) the laws in effect before May 1, 1974 and before any adjustment under Laws 1987, chapter 372, article 3, if the person is receiving an annuity or benefit from the retirement fund specified in subdivision 3, clause (6); or

(5) the laws in effect before January 1, 1970, if the person is receiving an annuity or benefit from the retirement fund specified in subdivision 3, clause (7); or

(6) the laws in effect before June 30, 1971, if the person is receiving an annuity or benefit from the retirement fund specified in subdivision 3, clause (8).

Subd. 2. [AMOUNT OF POSTRETIREMENT ADJUSTMENT; PAYMENT.] (a) For any person receiving an annuity or benefit on November 30, 1989, and entitled to receive a postretirement adjustment under subdivision 1, the postretirement adjustment is a lump sum payment calculated under paragraph (b) or (c).

(b) For coordinated plan members the postretirement adjustment in 1989 is \$25 for each full year of allowable service credited to the person by the respective retirement fund. In 1990 and each following year the postretirement adjustment is the amount payable in the preceding year increased by the same percentage applied to regular annuities paid from the postretirement fund or, for the retirement funds specified in subdivision 3, clauses (6), (7), and (8), by the same percentage applied under the articles of incorporation and bylaws of these funds.

(c) For basic plan members the postretirement adjustment, in 1989 is the greater of:

(1) \$25 for each full year of allowable service credited to the person by the respective retirement fund; or

(2) the difference between:

(i) the product of \$400 times the number of full years of allowable service credited to the person by the respective retirement fund; and

(ii) the sum of the benefits payable to the person from any Minnesota public employee pension plan, and cash benefits payable to the person from the social security administration.

In 1990 and each following year each basic plan member shall receive the amount received in the preceding year increased by the same percentage applied to regular annuities paid from the postretirement fund or, for the retirement funds specified in subdivision 3, clauses (6), (7), and (8), by the same percentage applied under the articles of incorporation and bylaws of these funds.

(d) The postretirement adjustment provided for in this section is payable for those persons receiving an annuity or benefit on November 30, 1989, on December 1, 1989. In subsequent years the adjustment must be paid on December 1, unless the beneficiary is entitled to participate in an optional benefit receipt schedule under subdivision 4. This section does not authorize the payment of a postretirement adjustment to an estate. Notwithstanding section 356.18, the postretirement adjustment provided for in this section must be paid automatically unless the intended recipient files a written notice with the retirement fund requesting that the postretirement adjustment not be paid.

Subd. 3. [COVERED RETIREMENT FUNDS.] The postretirement adjustment provided in this section applies to the following retirement funds:

- (1) public employees retirement fund;
- (2) public employees police and fire fund;
- (3) teachers retirement fund;
- (4) state patrol retirement fund;
- (5) state employees retirement fund of the Minnesota state retirement system;
- (6) Minneapolis teachers retirement fund association established under chapter 354A;
- (7) St. Paul teachers retirement fund association, established under chapter 354A; and
- (8) Duluth teachers retirement fund association established under chapter 354A.

Subd. 4. [OPTIONAL BENEFIT PAYMENT SCHEDULE.] Basic plan benefit recipients receiving adjustments under subdivision (2), clause (2)(c) and whose adjustment exceeds 20 percent of their Minnesota plan benefit may elect to have the amount of the benefit adjustment paid in equal monthly amounts instead of receiving a benefit adjustment on December 1 of each year. Selection of this option must be made by the recipient in writing on forms prepared by the retirement association.

Subd. 5. [SOCIAL SECURITY INFORMATION.] To be eligible for a benefit adjustment calculated under subdivision 2, clause (2)(c), a person must authorize the social security administration to release to the retirement association information on the person's social security cash benefits.

Subd. 6. [REPORT.] By September 30, 1990, the retirement funds listed in subdivision 3 shall report to the legislature and the commissioner of finance on the number of benefit recipients eligible for each type of adjustment established in subdivision 2, the annual cost of each type of adjustment, and the estimated actuarial liability associated with each.

Sec. 2. [POSTRETIREMENT ADJUSTMENT; LUMP SUM PAYMENTS; MINNEAPOLIS EMPLOYEES RETIREMENT FUND.]

Subdivision 1. [ENTITLEMENT] Any person who is receiving either an annuity that was computed under the laws in effect before March 5, 1974, or a "\$2 bill and annuity" annuity from the Minneapolis employees retirement fund is entitled to receive a postretirement adjustment from the applicable retirement fund in the amount specified in subdivision 2.

Subd. 2. [AMOUNT OF POSTRETIREMENT ADJUSTMENT; PAYMENT.] For any person receiving an annuity or benefit on November 30, 1989, or on November 30, 1990, and entitled to receive a postretirement adjustment under subdivision 1, the postretirement adjustment under subdivision 1, the postretirement adjustment is a lump sum payment in an amount equal to \$25 during 1989 and \$25 during 1990 for each full year of allowable service credited to the person by the respective retirement fund.

The postretirement adjustment provided in this section is payable for those persons receiving an annuity or benefit on November 30, 1989, on December 1, 1989, and for those persons receiving an annuity or benefit on November 30, 1990, on December 1, 1990. This section does not authorize the payment of a postretirement adjustment to an estate. Notwithstanding Minnesota Statutes, section 356.18, the postretirement adjustment provided for in this section must be paid automatically unless the intended recipient files a written notice with the retirement fund requesting that the postretirement adjustment not be paid.

Subd. 3. [APPROPRIATION AND TERMINAL AUDIT.] To fund the postretirement benefits provided in this section for eligible persons in the Minneapolis employees retirement fund, there is appropriated from the general fund the amount of \$916,745 for fiscal year 1990 and \$916,745 for fiscal year 1991. The Minneapolis employees retirement fund shall, as soon as practical following the payment of the postretirement adjustment, calculate the amount of any appropriation apportioned to it that is in excess of the amounts required to pay the postretirement adjustments provided in this section. The calculations required by this subdivision must be reported to and verified by the commissioner of finance. Amounts equal to reported excess appropriations must be returned to the general fund.

ARTICLE 16

LEGISLATORS

Section 1. Minnesota Statutes 1988, section 3A.01, is amended by adding a subdivision to read:

Subd. 6a. [SALARY.] "Salary" means the regular compensation payable under law to legislators and paid to the person for service as a legislator. The term includes the monthly compensation paid to the legislator, and the per diem payments paid during a regular or special session to the legislator. The term does not include per diem payments paid other than during the regular or special session, additional compensation attributable to a leadership position under section 3.099, subdivision 3, living expense payments under section 3.101, and special session living expense payments under section 3.103.

Sec. 2. Minnesota Statutes 1988, section 3A.01, subdivision 7, is amended to read:

Subd. 7. [AVERAGE MONTHLY SALARY.] With regard to any member of the legislature whose service terminates prior to the beginning of the 1981 legislative session, "average monthly salary" means final monthly salary during the member's final term of office as a member of the legislature; and with regard to any member of the legislature whose service terminates after the beginning of the 1981 legislative session, "Average monthly salary" means the average of the member's highest five successive years of salary received as a member of the legislature after the beginning of the 1981 legislative session, or all the years and months salary after the beginning of the 1981 legislative session if the member's service after the beginning of the 1981 legislative session is less than five years. Any additional payments provided by law for legislative leadership positions shall not be included in any calculation of the average monthly salary of a legislator or former legislator and upon

which the member has made contributions under section 3A.03, subdivision 1, payments for past service under section 3A.02, subdivision 2, or payments in lieu of contributions under section 3A.031.

Sec. 3. Minnesota Statutes 1988, section 3A.02, subdivision 1, is amended to read:

Subdivision 1. [QUALIFICATIONS.] Any (a) A former legislator is entitled, upon written application to the director, to receive a retirement allowance monthly, if the person:

(1) ~~Who~~ has served at least six full years, without regard to the application of section 3A.10, subdivision 2, or who has served during all or part of four regular sessions as a member of the legislature, which service need not be continuous; ~~but must have been after January 1, 1965 except as hereinafter provided; and~~

(2) ~~who attains~~ has attained the normal retirement age; ~~and~~

(3) ~~Who~~ has retired as a member of the legislature; and

(4) ~~Who~~ has made all contributions provided for in section 3A.03, or ~~who~~ has made payments in lieu of all contributions provided for in section 3A.03 as provided for in for past service under subdivision 2, or has made payments in lieu of contributions under section 3A.031; ~~shall be entitled upon written application to the director to receive a retirement allowance monthly.~~

(b) For service rendered ~~prior to~~ before the beginning of the 1979 legislative session, but not to exceed eight years of service, the retirement allowance ~~shall be~~ is an amount equal to five percent per year of service of that member's average monthly salary. For service in excess of eight years rendered ~~prior to~~ before the beginning of the 1979 legislative session, and for service rendered after the beginning of the 1979 legislative session, the retirement allowance ~~shall be~~ is an amount equal to 2½ percent per year of service of that member's average monthly salary.

(c) The retirement allowance ~~shall accrue~~ accrues beginning with the first day of the month of receipt of the application and for the remainder of the former legislator's life, ~~provided if~~ the former legislator is not serving as a member of the legislature or as a constitutional officer or commissioner as defined in section 352C.021, subdivisions 2 and 3.

(d) Any member who has served during all or part of four regular sessions ~~shall be deemed~~ is considered to have served eight years as a member of the legislature.

(e) The retirement allowance shall cease ~~ceases~~ with the last payment which had that accrued to the retired legislator during the retired legislator's lifetime, except that the surviving spouse, if any, shall be is entitled to the retirement allowance for the calendar month in which the retired legislator died.

Effective for service rendered after the beginning of the 1981 legislative session, no member may accrue credit for more than 20 years service, nor shall member contributions thereafter be required for more than 20 years service.

Sec. 4. Minnesota Statutes 1988, section 3A.02, subdivision 1b, is amended to read:

Subd. 1b. [REDUCED RETIREMENT ALLOWANCE.] Upon separation from service after the beginning of the 1981 legislative session, a former member of the legislature who has attained the age of at least 60 years and who is otherwise qualified in accordance with subdivision 1 is entitled upon making written application on forms supplied by the director to a retirement allowance in an amount equal to the retirement allowance specified in subdivision 1 reduced by one-half of one percent for each month that the former member of the legislature is under so that the reduced annuity is the actuarial equivalent of the annuity that would be payable if the former member of the legislature deferred receipt of the annuity and the annuity amount were augmented at an annual rate of three percent compounded annually from the date the annuity begins to accrue until age 62.

Sec. 5. Minnesota Statutes 1988, section 3A.02, subdivision 4, is amended to read:

Subd. 4. [DEFERRED ANNUITIES AUGMENTATION.] The deferred annuity of any former legislator shall be augmented as provided herein. The required reserves applicable to the deferred annuity, determined as of the date the benefit begins to accrue using an appropriate mortality table and an interest assumption of five percent, shall be augmented from the first of the month following termination of service, or July 1, 1973, whichever is later, to the first day of the month in which the annuity begins to accrue, at the rate of five percent per annum compounded annually until January 1, 1981, and thereafter at the rate of three percent per annum compounded annually until January 1 of the year in which the former legislator attains age 55. From that date to the effective date of retirement, the rate is five percent compounded annually.

Sec. 6. [3A.031] [PAYMENTS IN LIEU OF MEMBER CONTRIBUTIONS IN CERTAIN INSTANCES.]

A member may make a payment in lieu of member contributions on all or a portion of the member's per diem payments that were

paid during the regular and special sessions after December 31, 1984, and before July 1, 1989. The amount of the payment is nine percent of the regular or special session per diem payments paid during the applicable period, plus interest at the annual rate of six percent, compounded annually, from the date the per diem payment was made to the date on which the payment in lieu of member contributions is made.

Sec. 7. [TRANSITIONAL PROVISION.]

A member of the legislature on the effective date of this section to whom the service limit in Minnesota Statutes 1988, section 3A.02, subdivision 1, applies is entitled to again accrue service credit in and have member contributions deducted for crediting to the legislators retirement plan, effective with the start of the 1989 legislative session.

Sec. 8. [REPEALER.]

Section 6 is repealed, effective July 1, 1994.

Sec. 9. [EFFECTIVE DATE.]

Sections 1 to 8 are effective the day following final enactment. Section 7 applies retroactively to January 1, 1989.

ARTICLE 17

POLICE AND FIRE

Section 1. Minnesota Statutes 1988, section 352.116, is amended by adding a subdivision to read:

Subd. 3a. [BOUNCE BACK ANNUITY.] (a) The board of trustees must provide a joint and survivor annuity option to members of the correctional employees and state patrol retirement funds. Under this option, a former member or disabilitant must receive a normal single life annuity if the designated optional annuity beneficiary dies before the former member or disabilitant. Under this option, no reduction may be made in the person's annuity to provide for restoration of the normal single life annuity in the event of the death of the designated optional annuity beneficiary.

(b) A former member or disabilitant of the correctional or state patrol fund who selected an optional joint and survivor annuity before July 1, 1989, but did not choose an option that provides that the normal single life annuity is payable to the former member or the disabilitant if the designated optional annuity beneficiary dies first, is eligible for restoration of the normal single life annuity if the designated optional annuity beneficiary dies first, without

further actuarial reduction of the person's annuity. A former member or disabilitant who selected an optional joint and survivor annuity, but whose designated optional annuity beneficiary died before July 1, 1989, shall receive a normal single life annuity after that date, but shall not receive retroactive payments for periods before that date.

(c) A former member or disabilitant who took a further actuarial reduction to elect an optional joint and survivor annuity that provides that the normal annuity is payable to the former member or disabilitant if the designated optional beneficiary died before July 1, 1989, shall have their annuity increased as of July 1, 1989, to the amount the person would have received if, at the time of retirement or disability, the person had selected only optional survivor coverage that would not have provided for restoration of the normal annuity upon the death of the designated optional annuity beneficiary. Any annuity or benefit increase under this paragraph is effective only for payments made after June 30, 1989, and is not retroactive for payments made before July 1, 1989.

Sec. 2. Minnesota Statutes 1988, section 352.93, subdivision 2, is amended to read:

Subd. 2. [CALCULATING MONTHLY ANNUITY.] The monthly annuity under this section must be determined by multiplying the average monthly salary by the number of years, or completed months, of covered correctional service by 2.5 percent for the first 25 years of correctional service and two percent for each year after that. However, the monthly annuity must not exceed 75 percent of the average monthly salary.

Sec. 3. Minnesota Statutes 1988, section 352.93, is amended by adding a subdivision to read:

Subd. 2a. [EARLY RETIREMENT.] Any covered correctional employee who has attained the age of at least 50 and who has at least five years of allowable service is entitled upon application to a retirement annuity equal to the normal annuity calculated under subdivision 2, reduced so that the reduced annuity is the actuarial equivalent of the annuity that would be payable if the employee deferred receipt of the annuity from the day the annuity begins to accrue to age 55.

Sec. 4. Minnesota Statutes 1988, section 352.95, subdivision 1, is amended to read:

Subdivision 1. [JOB-RELATED DISABILITY.] A covered correctional employee less than 55 years old who becomes disabled and physically unfit to perform the duties of the position as a direct result of an injury, sickness, or other disability incurred in or arising out of any act of duty that makes the employee physically or

mentally unable to perform the duties, is entitled to a disability benefit based on covered correctional service only. The benefit amount must equal 50 percent of the average salary defined in section 352.93, plus an additional 2½ percent for each year of covered correctional service in excess of 20 years but not in excess of 25 years; and two percent for each year of covered correctional service in excess of 25 years, prorated for completed months; to a maximum monthly benefit of 75 percent of the average monthly salary.

Sec. 5. Minnesota Statutes 1988, section 352.95, subdivision 2, is amended to read:

Subd. 2. [NON-JOB-RELATED DISABILITY.] Any covered correctional employee who, after at least five years one year of covered correctional service, before reaching the age of 55 becomes disabled and physically unfit to perform the duties of the position because of sickness or injury occurring while not engaged in covered employment, is entitled to a disability benefit based on covered correctional service only. The disability benefit must be computed as provided in section 352.93, subdivisions 1 and 2, and computed as though the employee had at least ten 15 years of covered correctional service.

Sec. 6. Minnesota Statutes 1988, section 352B.08, subdivision 2, is amended to read:

Subd. 2. [NORMAL RETIREMENT ANNUITY.] The annuity must be paid in monthly installments. The annuity shall be equal to the amount determined by multiplying the average monthly salary of the member by 2½ percent for each year and pro rata for completed months of service not exceeding 25 years and two percent for each year and pro rata for completed months of service in excess of 25 years.

Sec. 7. Minnesota Statutes 1988, section 352B.08, is amended by adding a subdivision to read:

Subd. 2a. [EARLY RETIREMENT.] Any member who has attained the age of at least 50 and who has at least five years of allowable service is entitled upon application to a retirement annuity equal to the normal annuity calculated under subdivision 2, reduced so that the reduced annuity is the actuarial equivalent of the annuity that would be payable if the member deferred receipt of the annuity from the day the annuity begins to accrue to age 55.

Sec. 8. Minnesota Statutes 1988, section 352B.10, subdivision 1, is amended to read:

Subdivision 1. [INJURIES, PAYMENT AMOUNTS.] Any member less than 55 years old, who becomes disabled and physically or

mentally unfit to perform duties as a direct result of an injury, sickness, or other disability incurred in or arising out of any act of duty, shall receive disability benefits while disabled. The benefits must be paid in monthly installments equal to the member's average monthly salary multiplied (1) by 50 percent and, (2) by plus an additional 2½ percent for each year and pro rata for completed months of service in excess of 20 years, but not exceeding 25 years and two percent for each year and pro rata for completed months of service in excess of 25 years if any.

Sec. 9. Minnesota Statutes 1988, section 352B.10, subdivision 2, is amended to read:

Subd. 2. [UNDER 55; DISABLED WHILE NOT ON DUTY.] If a member terminates employment after at least five years one year of service, before reaching the age of 55, because of sickness or injury occurring while not on duty and not engaged in state work entitling the member to membership, and the termination is necessary because the member cannot perform duties, the member is entitled to receive a disability benefit. The benefit must be in the same amount and computed in the same way as if the member were 55 years old at the date of disability and the annuity were paid under section 352B.08. If disability under this clause occurs after five one but before ten 15 years service, the disability benefit must be computed as though the member had ten 15 years service.

Sec. 10. Minnesota Statutes 1988, section 352B.11, subdivision 2, is amended to read:

Subd. 2. [DEATH; PAYMENT TO SPOUSE AND CHILDREN.] If a member serving actively as a member, a member receiving the disability benefit provided by section 352B.10, subdivision 1, or a former member receiving a disability benefit as provided by section 352B.10, subdivision 3, dies from any cause, the surviving spouse and dependent children are entitled to benefit payments as follows:

(a) A member with at least five years of allowable service or a former member with at least 20 years of allowable service is deemed to have elected a 100 percent joint and survivor annuity payable to a surviving spouse only on or after the date the member or former member became or would have become 55.

(b) The surviving spouse of a member who had credit for less than five years of service shall receive, for life, a monthly annuity equal to 20 50 percent of that part of the average monthly salary of the member from which deductions were made for retirement. If the surviving spouse remarries, the annuity shall cease as of the date of the remarriage.

(c) The surviving spouse of a member who had credit for at least five years service and who died after attaining 55 years of age, may

elect to receive a 100 percent joint and survivor annuity, for life, notwithstanding a subsequent remarriage, in lieu of the annuity prescribed in paragraph (b).

(d) The surviving spouse of any member who had credit for five years or more and who was not 55 years of age at death, shall receive the benefit equal to ~~20~~ 50 percent of the average monthly salary as described in clause (b) until the deceased member would have reached the age of 55 years, and beginning the first of the month following that date, may elect to receive the 100 percent joint and survivor annuity. If the surviving spouse remarries before the deceased member's 55th birthdate, benefits or annuities shall cease as of the date of remarriage. Remarriage after the deceased member's 55th birthday shall not affect the payment of the benefit.

(e) Each dependent child shall receive a monthly annuity equal to ten percent of that part of the average monthly salary of the former member from which deductions were made for retirement. A dependent child over 18 and under ~~22~~ 23 years of age also may receive the monthly benefit provided in this section, if the child is continuously attending an accredited school as a full-time student during the normal school year as determined by the director. If the child does not continuously attend school but separates from full-time attendance during any part of a school year, the annuity shall cease at the end of the month of separation. In addition, a payment of \$20 per month shall be prorated equally to surviving dependent children when the former member is survived by one or more dependent children. Payments for the benefit of any qualified dependent child must be made to the surviving spouse, or if there is none, to the legal guardian of the child. The maximum monthly benefit must not be less than 50 nor exceed 40 70 percent of the average monthly salary for any number of children.

(f) If the member dies under circumstances that entitle the surviving spouse and dependent children to receive benefits under the workers' compensation law, the workers' compensation benefits received by them must not be deducted from the benefits payable under this section.

(g) The surviving spouse of a deceased former member who had credit for five or more years of allowable service, but not the spouse of a former member receiving a disability benefit under section 352B.10, subdivision 3, is entitled to receive the 100 percent joint and survivor annuity at the time the deceased member would have reached the age of 55 years, if the surviving spouse has not remarried before that date. If a former member dies who does not qualify for other benefits under this chapter, the surviving spouse or, if none, the children or heirs are entitled to a refund of the accumulated deductions left in the fund plus interest at the rate of five percent per year compounded annually.

Sec. 11. Minnesota Statutes 1988, section 353.30, is amended by adding a subdivision to read:

Subd. 3a. [BOUNCE BACK ANNUITY.] (a) The board of trustees must provide a joint and survivor annuity option to members of the police and fire fund. Under this option, a former member or disabilitant must receive a normal single life annuity if the designated optional annuity beneficiary dies before the former member or disabilitant. Under this option, no reduction may be made in the person's annuity to provide for restoration of the normal single life annuity in the event of the death of the designated optional annuity beneficiary.

(b) A former member or disabilitant of the police and fire fund who selected an optional joint and survivor annuity before July 1, 1989, but did not choose an option that provides that the normal single life annuity is payable to the former member or the disabilitant if the designated optional annuity beneficiary dies first, is eligible for restoration of the normal single life annuity if the designated optional annuity beneficiary dies first, without further actuarial reduction of the person's annuity. A former member or disabilitant who selected an optional joint and survivor annuity, but whose designated optional annuity beneficiary died before July 1, 1989, shall receive a normal single life annuity after that date, but shall not receive retroactive payments for periods before that date.

(c) A former member or disabilitant who took a further actuarial reduction to elect an optional joint and survivor annuity that provides that the normal annuity is payable to the former member or disabilitant if the designated optional beneficiary died before July 1, 1989, shall have their annuity increased as of July 1, 1989, to the amount the person would have received if, at the time of retirement or disability, the person had selected only optional survivor coverage that would not have provided for restoration of the normal annuity upon the death of the designated optional annuity beneficiary. Any annuity or benefit increase under this paragraph is effective only for payments made after June 30, 1989, and is not retroactive for payments made before July 1, 1989.

Sec. 12. Minnesota Statutes 1988, section 353.651, subdivision 3, is amended to read:

Subd. 3. [RETIREMENT ANNUITY FORMULA.] The average salary as defined in subdivision 2, multiplied by 2½ percent per year of allowable service for the first 25 years and two percent per year of allowable service thereafter, shall determine the amount of the normal retirement annuity. If the member has earned allowable service for performing services other than those of a police officer or firefighter, the annuity representing such service shall be computed in accordance with sections 353.29 and 353.30.

Sec. 13. Minnesota Statutes 1988, section 353.651, is amended by adding a subdivision to read:

Subd. 4. [EARLY RETIREMENT.] Any police officer or firefighter member who has attained the age of at least 50 and who has at least five years of allowable service is entitled upon application to a retirement annuity equal to the normal annuity calculated under subdivision 3, reduced so that the reduced annuity is the actuarial equivalent of the annuity that would be payable to the member if the member deferred receipt of the annuity from the day the annuity begins to accrue until the member attains age 55.

Sec. 14. Minnesota Statutes 1988, section 353.656, subdivision 1, is amended to read:

Subdivision 1. [IN LINE OF DUTY; COMPUTATION OF BENEFITS.] Any member of the police and fire fund less than 55 years of age, who shall become disabled and physically unfit to perform duties as a police officer or firefighter subsequent to June 30, 1973, as a direct result of an injury, sickness, or other disability incurred in or arising out of any act of duty, which shall render the member physically or mentally unable to perform duties as a police officer or firefighter, shall receive disability benefits during the period of such disability. The benefits shall be in an amount equal to 50 percent of the "average salary" pursuant to subdivision 3 plus an additional 2½ percent of said average salary for each year of service in excess of 20 years but not exceeding 25 years and two percent for each year thereafter. Should disability under this subdivision occur before the member has at least five years of allowable service credit in the police and fire fund, the disability benefit shall be computed on the "average salary" from which deductions were made for contribution to the police and fire fund.

Sec. 15. Minnesota Statutes 1988, section 353.656, subdivision 3, is amended to read:

Subd. 3. [NONDUTY DISABILITY BENEFIT.] Any member who becomes disabled after not less than five years one year of allowable service, before reaching the age of 55, because of sickness or injury occurring while not on duty as a police officer or firefighter, and by reason of that sickness or injury the member is unable to perform duties as a police officer or firefighter, shall be entitled to receive a disability benefit. The benefit shall be in the same amount and paid in the same manner as if the member were 55 years of age at the date of disability and the benefit were paid pursuant to section 353.651. If a disability under this subdivision occurs after five one but in less than ten 15 years of allowable service, the disability benefit shall be the same as though the member had at least ten 15 years service. For any member who is employed as a full-time firefighter by the department of military affairs of the state of Minnesota, allowable service as a full-time state military affairs

department firefighter credited by the Minnesota state retirement system may be used in meeting the minimum allowable service requirement of this subdivision.

Sec. 16. Minnesota Statutes 1988, section 353.657, subdivision 2, is amended to read:

Subd. 2. The spouse, for life or until remarriage, shall receive a monthly benefit equal to ~~30~~ 50 percent of the member's average full-time monthly salary rate as a police officer or firefighter in effect over the last six months of allowable service preceding the month in which death occurred.

Sec. 17. Minnesota Statutes 1988, section 353.657, subdivision 3, is amended to read:

Subd. 3. Each dependent child, until the child reaches the age of 18 years, shall receive a monthly benefit equal to ten percent of the member's average full-time monthly salary rate as a police officer or firefighter in effect over the last six months of allowable service preceding the month in which death occurred. A dependent child shall receive this benefit until age 23, so long as the child submits evidence of full-time enrollment in an accredited post-secondary educational institution for at least five of the 12 months immediately preceding the month for which benefits are sought. Payments for the benefit of any qualified dependent child under the age of 18 years shall be made to the surviving parent, or if there be none, to the legal guardian of the child or to any adult person with whom the child may at the time be living, provided only that the parent or other person to whom any amount is to be paid shall have advised the board in writing that the amount will be held or used in trust for the benefit of the child. The maximum monthly benefit for any one family shall not exceed an amount equal to ~~50~~ 70 percent of the member's specified average monthly salary, and the minimum benefit per family shall not be less than ~~30~~ 50 percent of the member's specified average monthly salary.

Sec. 18. [EFFECTIVE DATE.]

Sections 1 to 17 are effective July 1, 1989.

ARTICLE 18

STATE UNIVERSITY AND COMMUNITY COLLEGE INDIVIDUAL RETIREMENT ACCOUNT PLAN

Section 1. Minnesota Statutes 1988, section 354.05, subdivision 2a, is amended to read:

Subd. 2a. [EXCEPTIONS.] Notwithstanding subdivision 2, a

person who is first employed as a teacher in the state university system or the state community college system after June 30, 1988 1989, is not a member of the fund except for purposes of social security coverage unless the person is covered by section 354B.02, subdivision 2, and has exercised an option under that subdivision to remain remains a member of the fund for all purposes.

Sec. 2. Minnesota Statutes 1988, section 354.05, subdivision 5, is amended to read:

Subd. 5. [MEMBER OF FUND.] The term "member of fund" means every teacher who joins and contributes to the teachers retirement fund as provided in this chapter who has not retired, except a teacher covered by section 354B.02, subdivision 2 or 3, who elects to participate in the individual retirement account plan under chapter 354B.

Sec. 3. Minnesota Statutes 1988, section 354.66, subdivision 2, is amended to read:

Subd. 2. A teacher in the public elementary schools, secondary schools, or technical institutes; or in the community college system or the state university system of the state who has 20 years or more of allowable service in the fund or 20 years or more of full time teaching service in Minnesota public elementary schools, secondary schools, or technical institutes; 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 full-time teaching service, 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. [354B.015] [SOCIAL SECURITY COVERAGE.]

Plan participants under section 354B.02, subdivision 1, and persons electing participation under section 354B.02, subdivision 2 or 3, remain members of the teachers retirement association for purposes of social security coverage only and remain covered by the applicable agreement entered into under section 355.02, but are not members of the association for any other purpose while employed in covered employment.

Sec. 5. Minnesota Statutes 1988, section 354B.02, is amended to read:

354B.02 [COVERED PERSONS.]

Subdivision 1. [PLAN PARTICIPANTS.] Except as provided in subdivision 2, a person who was first employed in covered employment after June 30, 1988 1989, shall participate in the plan.

Subd. 2. [PERSONS WITH CERTAIN PRIOR SERVICE.] A person with less than three years of prior allowable service as a member of the teachers retirement association other than in covered employment under section 354B.01, subdivision 2 or 3, who is entitled to a deferred annuity under section 354.55, subdivision 11, and who is first employed in covered employment after June 30, 1988 1989, may, at the person's option, remain a member of the teacher's retirement association for all purposes or elect to participate in the plan. This election must be made within 60 days of the start of covered employment.

Subd. 3. [OPTIONAL PARTICIPATION.] A person with less than three years of allowable service who was first employed in covered employment before July 1, 1989, and who is a coordinated member of the teachers retirement association, may elect to transfer retirement coverage to the plan under section 6. The election must be made on a form provided by the executive director. An election to transfer retirement coverage to the plan must be made before July 1, 1992, and is irrevocable. When a member transfers coverage to the plan, all existing service credits with the association to which the person was entitled before the transfer terminate and may not be restored.

Sec. 6. [354B.03] [COVERAGE TRANSFER.]

Subdivision 1. [PROCEDURE.] If a person with less than three years of allowable service elects a transfer to the plan under section 5, subdivision 2 or 3, the executive director of the teachers retirement association shall transfer from the teachers retirement fund to the plan the person's member contributions plus interest compounded annually at five percent a year. The transfer must be made within 90 days from the date the executive director receives notification of the election. The transfer may not include any amount representing an employer contribution nor any amount representing the repayment of a refund received by the association after the date of enactment of this act.

Subd. 2. [LIMITATIONS.] A transfer to the plan under this section is a transfer to the financial institution selected by a plan administrator to provide annuity contracts or custodial accounts and must be made through the governing board of the system in which the person electing the transfer is employed in covered employment. No amount may be distributed to the person electing the transfer.

Subd. 3. [ELECTION.] A person with more than three years of allowable service credit who was first employed in covered employment before July 1, 1989, or after June 30, 1989 as provided in section 354B.02, subdivision 2, may elect coverage by the plan. If coverage is elected, accumulated employer and employee contributions and allowable service credit shall remain with the teachers retirement fund and that person shall remain eligible for a deferred

annuity from that fund augmented with interest at the rate of five percent computed as specified in section 354.55, subdivision 11. Future contributions only shall be made to the plan.

Sec. 7. Minnesota Statutes 1988, section 354B.04, subdivision 2, is amended to read:

Subd. 2. [EMPLOYER CONTRIBUTIONS.] The employer of persons in covered employment who participate in the plan shall make an employer contribution to the plan in an amount equal to the amount prescribed by section 354.42, subdivision 3, and shall continue to make an additional employer contribution to the teachers retirement association in an amount equal to the amount prescribed by section 354.42, subdivision 5.

Sec. 8. Minnesota Statutes 1988, section 354B.05, subdivision 3, is amended to read:

Subd. 3. [SELECTION OF FINANCIAL INSTITUTIONS.] The state university board and the community college board shall select no more than three financial institutions to provide annuity contracts or custodial accounts. Each board may at its discretion change a selection of an institution. Investment programs offered by the institutions must meet the requirements of section 401(a) or 403(b) of the Internal Revenue Code of 1986, as amended. In making their selections, the boards shall consider these criteria:

- (1) the experience and ability of the financial institution to provide retirement and death benefits suited to the needs of the covered employees;
- (2) the relationship of the benefits to their cost; and
- (3) the financial strength and stability of the institution.

Sec. 9. Minnesota Statutes 1988, section 354B.05, subdivision 4, is amended to read:

Subd. 4. [BENEFITS OWNED BY MEMBERS.] The retirement and death benefits provided by the annuity contracts or custodial accounts are owned by the ~~members of the plan trust~~ and must be paid in accordance with the provisions of the ~~annuity contracts or custodial accounts plan document.~~

Sec. 10. [355.61] [SOCIAL SECURITY COVERAGE FOR CERTAIN STATE UNIVERSITY OR COMMUNITY COLLEGE FACULTY.]

Plan participants under section 354B.02, subdivision 1, and persons electing participation under section 354B.02, subdivision 2

or 3, remain members of the teachers retirement association for purposes of social security coverage only, and remain covered by the applicable agreement entered into under section 355.02, but are not members of the teachers retirement association for any other purpose while employed in covered employment.

Sec. 11. [EFFECTIVE DATE OF COVERAGE.]

Notwithstanding Laws 1988, chapter 709, article 11, sections 1, 3, and 7, persons first employed in covered employment between June 30, 1988, and July 1, 1989, are members of the teachers retirement association for all purposes but are eligible to elect to participate in the plan under section 6.

Sec. 12. [REPEALER.]

Section 6 is repealed October 1, 1992.

Sec. 13. [EFFECTIVE DATE.]

Sections 1 to 12 are effective July 1, 1989."

Delete the title and insert:

"A bill for an act relating to retirement; making a variety of changes in the laws governing benefits, contributions, and administrators of various statewide and local public pension plans; amending Minnesota Statutes 1988, sections 3A.01, subdivision 7, and by adding a subdivision; 3A.02, subdivisions 1, 1b, and 4; 11A.01; 11A.04; 11A.07, subdivision 4; 11A.09; 11A.13, subdivision 1; 11A.18, subdivisions 9 and 10; 11A.19, by adding a subdivision; 43A.316, subdivision 9; 43A.44, subdivision 2; 69.031, subdivision 5; 69.77, subdivision 2g; 69.775; 136.80; subdivision 1; 136.81, subdivision 1; 136.82, subdivision 1 and 2; 136.84; 352.01, subdivisions 11, 19, and by adding a subdivision; 352.021, subdivision 5; 352.03, subdivisions 7 and 11; 352.04, subdivisions 2 and 3; 352.113, subdivisions 1 and 12; 352.115, subdivisions 1, 2, and 3; 352.116; 352.12, subdivisions 1, 2, and 6; 352.22, subdivisions 1, 2, 2a, and 3; 352.72, subdivisions 1, 2, and 5; 352.85, subdivision 1; 352.92, by adding a subdivision; 352.93, subdivisions 1, 2, 3, and by adding a subdivision; 352.95, subdivisions 1, 2, and 5; 352.96, subdivision 3; 352B.01, subdivision 11; 352B.03, subdivision 1; 352B.08, subdivision 1, 2, 3, and by adding a subdivision; 352B.10, subdivisions 1, 2, and 5; 352B.11, subdivisions 1 and 2; 352B.30, subdivision 1; 352C.091, subdivision 1; 352D.04, subdivision 1; 352D.06, subdivision 1; 352D.075, subdivision 2; 352D.09, subdivision 1; 353.01, subdivisions 2a, 2b, 10, and by adding subdivisions; 353.03, subdivision 1; 353.27, subdivisions 2 and 12; 353.28, subdivisions 5 and 6; 353.29, subdivisions 1, 2, 3, 4, and 7; 353.30; 353.32, subdivisions 1 and 1a; 353.33, subdivisions 1, 2, 3, 5, 6, 7, and 11; 353.34,

subdivisions 1, 2, 3, and 3a; 353.35; 353.64, subdivisions 1, 2, 3, and by adding a subdivision; 353.65, subdivisions 1, 6, and by adding a subdivision; 353.651, subdivisions 1, 2, 3, and by adding a subdivision; 353.656, subdivisions 1, 3, and 4; 353.657; subdivisions 2, 2a, and 3; 353.71, subdivisions 1, 2, and 5; 353C.06, subdivisions 1, 2, and 4; 353C.08, subdivision 5; 354.05, subdivisions 2a, 5, 35, 37, and by adding a subdivision; 354.06, subdivision 1; 354.07, subdivision 3; 354.091; 354.092; 354.10, subdivision 2; 354.35; 354.41, subdivision 3; 354.42, subdivision 7; 354.44, subdivisions 1, 1a, 3, 5, 6, 7, 8, and by adding a subdivision; 354.45, subdivision 1, and by adding a subdivision; 354.46, subdivision 2; 354.47, subdivisions 1 and 2; 354.48, subdivisions 1, 2, 3, and 10; 354.49, subdivisions 2 and 3; 354.50, by adding a subdivision; 354.55, subdivision 11; 354.60; 354.62, subdivision 2, and by adding a subdivision; 354.65; 354.66, subdivision 2; 354A.011, subdivision 20, and by adding a subdivision; 354A.021, subdivision 6; 354A.21; 354A.31, subdivisions 1, 3, 4, 5, 6, and by adding a subdivision; 354A.32, subdivision 1, and by adding a subdivision; 354A.35, subdivisions 1 and 2; 354A.36, subdivisions 1, 3, and 10; 354A.37, subdivisions 2, 3, and 4; 354A.39; 354B.02; 354B.04, subdivision 2; 354B.05, subdivisions 3 and 4; 355.90, subdivisions 3 and 4; 356.215, subdivisions 4d and 4g; 356.24; 356.30, subdivisions 1, 2, and 3; 356.302, subdivision 7; 356.303, subdivision 4; 356.32, subdivision 1; 356.371, subdivision 3; 356.80, subdivisions 1 and 3; 422A.05, subdivisions 2a and 2d; 423.374; 423.45; 423.805; 423A.01, subdivision 2; 423A.21, subdivision 4; 424.06; 424A.001, subdivision 7; 424A.01, subdivision 2; 424A.02, subdivisions 1, 2, 7, and 13; 424A.04, subdivision 2; 424A.10; 490.122; 490.124, subdivision 12; proposing coding for new law in Minnesota Statutes, chapters 3A; 352; 353; 354; 354A; 354B; 355; 356; 356A; and 490; repealing Minnesota Statutes 1988, sections 136.88, subdivision 3; 352.03, subdivision 13; 352.73, subdivision 3; 353.01, subdivision 2c; 353.661; 353.662; 354.41, subdivision 3; 354.531; 354.532; 354.55, subdivision 5; 354.56; 354A.32, subdivision 2; and 424A.01, subdivision 3a; amending Laws 1955, chapter 151, section 13, as amended; Laws 1965, chapter 446, sections 2 and 3; Laws 1980, chapter 595, section 2, subdivision 4; Laws 1982, chapter 574, section 5, as amended; Laws 1985, chapter 11, section 12, subdivision 3; and Laws 1988, chapter 709, article 3, section 1, subdivision 4; repealing Laws 1967, chapter 815; Laws 1978, chapter 683; and Laws 1981, chapter 224, sections 2 and 5."

With the recommendation that when so amended the bill pass.

The report was adopted.

SECOND READING OF HOUSE BILLS

H. F. No. 66 was read for the second time.

SECOND READING OF SENATE BILLS

S. F. No. 783 was read for the second time.

**INTRODUCTION AND FIRST READING
OF HOUSE BILLS**

The following House File was introduced:

Kalis introduced:

H. F. No. 1764, A bill for an act relating to transportation; changing distribution of highway user taxes; authorizing use of state park road account to improve and maintain town roads that provide immediate access to state parks and campgrounds; increasing motor vehicle license tax on older vehicles; increasing dealer's motor vehicle tax; eliminating use of dealer plates by other family members; providing for annual adjustment of gasoline tax rate; reducing shrinkage allowance; transferring an additional ten percent of motor vehicle excise tax receipts for highways and transit; authorizing sale of state transportation bonds; appropriating money; amending Minnesota Statutes 1988, sections 161.081; 161.082, subdivision 2a; 162.06, subdivision 5; 168.013, subdivision 1a; 168.27, subdivision 16; 296.02, subdivision 1b, and by adding a subdivision; 296.14, subdivision 1; and 297B.09, subdivision 1; Laws 1979, chapter 280, sections 1 and 2, as amended.

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

SPECIAL ORDERS, Continued

The Speaker called Quinn to the Chair.

H. F. No. 1448 was reported to the House.

Rest moved to amend H. F. No. 1448, the second engrossment, as follows:

Page 1, line 13, after the period, delete the remainder of the line

Page 1, delete lines 14 and 15

Page 1, line 16, delete "building and related facilities."

The motion prevailed and the amendment was adopted.

H. F. No. 1448, A bill for an act relating to Hennepin county; permitting the issuance of obligations by the county board of Hennepin county for a public safety building; requiring reports to the legislature.

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

The question was taken on the passage of the bill and the roll was called. There were 120 yeas and 5 nays as follows:

Those who voted in the affirmative were:

Abrams	Girard	Kostohryz	Onnen	Segal
Anderson, G.	Greenfield	Krueger	Orenstein	Simoneau
Anderson, R.	Gruenes	Lieder	Osthoff	Skoglund
Battaglia	Gutknecht	Limmer	Ostrom	Solberg
Bauerly	Hartle	Long	Otis	Stanius
Beard	Hasskamp	Lynch	Ozmet	Steenasma
Begich	Haukoos	Macklin	Pappas	Svigum
Bennett	Heap	Marsh	Pauly	Swenson
Bertram	Henry	McDonald	Pelowski	Tjornhom
Blatz	Himle	McEachern	Peterson	Tompkins
Boo	Hugoson	McGuire	Poppenhagen	Trimble
Brown	Jacobs	McLaughlin	Price	Tunheim
Burger	Janezich	McPherson	Pugh	Uphus
Carlson, L.	Jaros	Milbert	Quinn	Valento
Carruthers	Jefferson	Miller	Redalen	Vellenga
Clark	Jennings	Morrison	Reding	Wagenius
Conway	Johnson, A.	Munger	Rest	Waltman
Dauner	Johnson, R.	Murphy	Rice	Weaver
Dawkins	Johnson, V.	Nelson, C.	Richter	Welle
Dempsey	Kalis	Nelson, K.	Rodosovich	Wenzel
Dille	Kelly	O'Connor	Runbeck	Williams
Dorn	Kelso	Olson, E.	Schafer	Winter
Forsythe	Kinkel	Olson, K.	Scheid	Wynia
Frederick	Knickerbocker	Omann	Schreiber	Spk. Vanasek

Those who voted in the negative were:

Cooper	Ferichs	Lasley	Pellow	Seaberg
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The bill was passed, as amended, and its title agreed to.

S. F. No. 1039 was reported to the House.

Kinkel moved to amend S. F. No. 1039, as follows:

Page 1, after line 6, insert:

“Section 1. Minnesota Statutes 1988, section 349.12, subdivision 11, is amended to read:

Subd. 11. (a) "Lawful purpose" means one or more of the following: (a) (1) benefiting persons by enhancing their opportunity for religious or educational advancement, by relieving or protecting them from disease, suffering or distress, by contributing to their physical well-being, by assisting them in establishing themselves in life as worthy and useful citizens, or by increasing their comprehension of and devotion to the principles upon which this nation was founded; (b) (2) initiating, performing, or fostering worthy public works or enabling or furthering the erection or maintenance of public structures; (c) (3) lessening the burdens borne by government or voluntarily supporting, augmenting or supplementing services which government would normally render to the people; or (d) (4) payment of taxes imposed under this chapter, and other taxes imposed by the state or the United States on receipts from lawful gambling.

(b) "Lawful purpose" does not include the erection, acquisition, improvement, expansion, repair, or maintenance of any real property owned or leased by the an organization, unless the board has first specifically authorizes authorized the expenditures after finding: (1) that the property will be used exclusively for one or more of the purposes specified in paragraph (a), clauses (a) (1) to (c) (3); or (2) with respect to expenditures for repair or maintenance only, that the property is or will be used extensively as a meeting place or event location by other nonprofit organizations or community or service groups and that no rental fee is charged for the use; or (3) with respect to expenditures for erection or acquisition only, that the erection or acquisition is necessary to replace with a comparable building a building owned by the organization and destroyed or made uninhabitable by fire or natural disaster, provided that the expenditure may be only for that part of the replacement cost not reimbursed by insurance. The board may by rule adopt procedures and standards to administer this subdivision."

Renumber the sections in sequence

Correct internal references

Page 2, line 8, delete "1 and insert "2"

Amend the title as follows:

Page 1, line 4, after "expense;" insert "defining lawful purpose;"

Page 1, lines 4 and 5, delete "section 349.15" and insert "sections 349.12, subdivision 11; and 349.15"

The motion prevailed and the amendment was adopted.

S. F. No. 1039, A bill for an act relating to charitable gambling; permitting organizations to treat legal expenses as an allowable expense; amending Minnesota Statutes 1988, section 349.15.

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

The question was taken on the passage of the bill and the roll was called. There were 120 yeas and 6 nays as follows:

Those who voted in the affirmative were:

Abrams	Forsythe	Kelso	Orenstein	Segal
Anderson, G.	Frederick	Kinkel	Ostrom	Simoneau
Anderson, R.	Frerichs	Knickerbocker	Otis	Skoglund
Battaglia	Girard	Kostohryz	Ozment	Solberg
Bauerly	Gruenes	Krueger	Pappas	Sparby
Beard	Gutknecht	Limmer	Pauly	Stanias
Begich	Hartle	Lynch	Pellow	Steensma
Bennett	Hasskamp	Macklin	Pelowski	Sviggum
Bertram	Haukoos	Marsh	Peterson	Swenson
Bishop	Heap	McDonald	Poppenhagen	Tjornhom
Blatz	Henry	McEachern	Price	Tompkins
Boo	Himle	McGuire	Pugh	Trimble
Brown	Hugoson	McLaughlin	Quinn	Tunheim
Burger	Jacobs	McPherson	Redalen	Uphus
Carlson, L.	Janezich	Milbert	Reding	Valento
Carruthers	Jaros	Miller	Rest	Wagenius
Clark	Jefferson	Morrison	Rice	Waltman
Conway	Jennings	Munger	Richter	Weaver
Cooper	Johnson, A.	Nelson, C.	Rukavina	Welle
Dauner	Johnson, R.	O'Connor	Runbeck	Wenzel
Dawkins	Johnson, V.	Olson, E.	Sarna	Williams
Dempsey	Kahn	Olson, K.	Schafer	Winter
Dille	Kalis	Omann	Schreiber	Wynia
Dorn	Kelly	Onnen	Seaberg	Spk. Vanasek

Those who voted in the negative were:

Lasley	Nelson, K.	Rodosovich
Lieder	Osthoff	Scheid

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

H. F. No. 1143, A bill for an act relating to taxation; permitting the city of Rochester to continue levying a general sales tax for flood control costs; amending Laws 1983, chapter 342, article 19, sections 4 and 5.

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

The question was taken on the passage of the bill and the roll was called. There were 128 yeas and 1 nay as follows:

Those who voted in the affirmative were:

Abrams	Battaglia	Begich	Bishop	Brown
Anderson, G.	Bauerly	Bennett	Blatz	Burger
Anderson, R.	Beard	Bertram	Boo	Carlson, L.

Carruthers	Jacobs	McGuire	Pelowski	Sparby
Clark	Janezich	McLaughlin	Peterson	Stanius
Conway	Jaros	McPherson	Poppenhagen	Steensma
Cooper	Jefferson	Milbert	Price	Svigum
Dauner	Jennings	Miller	Pugh	Swenson
Dawkins	Johnson, R.	Morrison	Quinn	Tjornhom
Dempsey	Johnson, V.	Munger	Redalen	Tompkins
Dille	Kahn	Murphy	Reding	Trimble
Dorn	Kalis	Nelson, C.	Rest	Tunheim
Forsythe	Kelly	Nelson, K.	Rice	Uphus
Frederick	Kelso	O'Connor	Richter	Valento
Frerichs	Kinkel	Olson, E.	Rodosovich	Vellenga
Girard	Knickerbocker	Olson, K.	Rukavina	Wagenius
Greenfield	Kostohryz	Omann	Runbeck	Waltman
Gruenes	Krueger	Onnen	Sarna	Weaver
Gutknecht	Lasley	Orenstein	Schafer	Welle
Hartle	Lieder	Osthoff	Scheid	Wenzel
Hasskamp	Limmer	Ostrom	Schreiber	Williams
Haukoos	Lynch	Otis	Seaberg	Winter
Heap	Macklin	Ozment	Segal	Wynia
Henry	Marsh	Pappas	Simoneau	Spk. Vanasek
Himle	McDonald	Pauly	Skoglund	
Hugoson	McEachern	Pellow	Solberg	

Those who voted in the negative were:

Long

The bill was passed and its title agreed to.

S. F. No. 1502, A bill for an act relating to game and fish; regulating the time when fish houses may be on the ice; amending Minnesota Statutes 1988, section 97C.355, subdivision 7.

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

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

Those who voted in the affirmative were:

Abrams	Cooper	Himle	Lasley	Nelson, K.
Anderson, G.	Dauner	Hugoson	Lieder	O'Connor
Anderson, R.	Dawkins	Jacobs	Limmer	Olson, E.
Battaglia	Dempsey	Janezich	Long	Olson, K.
Bauerly	Dille	Jaros	Lynch	Omann
Beard	Dorn	Jefferson	Macklin	Onnen
Begich	Forsythe	Jennings	Marsh	Orenstein
Bennett	Frederick	Johnson, A.	McDonald	Osthoff
Bertram	Frerichs	Johnson, R.	McEachern	Ostrom
Bishop	Girard	Johnson, V.	McGuire	Otis
Blatz	Greenfield	Kahn	McLaughlin	Ozment
Boo	Gruenes	Kalis	McPherson	Pappas
Brown	Gutknecht	Kelly	Milbert	Pauly
Burger	Hartle	Kelso	Miller	Pellow
Carlson, L.	Hasskamp	Kinkel	Morrison	Pelowski
Carruthers	Haukoos	Knickerbocker	Munger	Peterson
Clark	Heap	Kostohryz	Murphy	Poppenhagen
Conway	Henry	Krueger	Nelson, C.	Price

Pugh	Rukavina	Simoneau	Tjornhom	Waltman
Quinn	Runbeck	Skoglund	Tompkins	Weaver
Redalen	Sarna	Solberg	Trimble	Welle
Reding	Schafer	Sparby	Tunheim	Wenzel
Rest	Scheid	Stanius	Uphus	Williams
Rice	Schreiber	Steensma	Valento	Winter
Richter	Seaberg	Sviggum	Vellenga	Wynia
Rodosovich	Segal	Swenson	Wagenius	Spk. Vanasek

The bill was passed and its title agreed to.

H. F. No. 1137, A bill for an act relating to metropolitan government; regulating the borrowing authority of the regional transit board; amending Minnesota Statutes 1988, section 473.39, subdivision 1a, and by adding subdivisions.

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	Girard	Krueger	Osthoff	Segal
Anderson, G.	Greenfield	Lasley	Ostrom	Simoneau
Anderson, R.	Gruenes	Lieder	Otis	Skoglund
Battaglia	Gutknecht	Limmer	Ozment	Solberg
Bauerly	Hartle	Long	Pappas	Sparby
Beard	Hasskamp	Lynch	Pauly	Stanius
Begich	Haukoos	Macklin	Pellow	Steensma
Bennett	Heap	Marsh	Pelowski	Sviggum
Bertram	Henry	McDonald	Peterson	Swenson
Bishop	Himle	McEachern	Poppenhagen	Tjornhom
Blatz	Hugoson	McGuire	Price	Tompkins
Boo	Jacobs	McLaughlin	Pugh	Trimble
Brown	Janezich	McPherson	Quinn	Tunheim
Burger	Jaros	Milbert	Redalen	Uphus
Carlson, L.	Jefferson	Miller	Reding	Valento
Carruthers	Jennings	Morrison	Rest	Vellenga
Clark	Johnson, A.	Munger	Rice	Wagenius
Conway	Johnson, R.	Murphy	Richter	Waltman
Cooper	Johnson, V.	Nelson, C.	Rodosovich	Welle
Dauner	Kahn	Nelson, K.	Rukavina	Wenzel
Dawkins	Kalis	O'Connor	Runbeck	Williams
Dempsey	Kelly	Olson, E.	Sarna	Winter
Dorn	Kelso	Olson, K.	Schafer	Wynia
Forsythe	Kinkel	Omann	Scheid	Spk. Vanasek
Frederick	Knickerbocker	Onnen	Schreiber	
Frerichs	Kostohryz	Orenstein	Seaberg	

The bill was passed and its title agreed to.

H. F. No. 607, A bill for an act relating to economic development; establishing the capital access program; proposing coding for new law in Minnesota Statutes, chapter 116J.

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

The question was taken on the passage of the bill and the roll was called. There were 129 yeas and 1 nay as follows:

Those who voted in the affirmative were:

Abrams	Frerichs	Kostohryz	Osthoff	Segal
Anderson, G.	Girard	Krueger	Ostrom	Simoneau
Anderson, R.	Greenfield	Lasley	Otis	Skoglund
Battaglia	Gruenes	Lieder	Ozment	Solberg
Bauerly	Gutknecht	Limmer	Pappas	Sparby
Beard	Hartle	Long	Pauly	Stanius
Begich	Hasskamp	Lynch	Pellow	Steenma
Bennett	Haukoos	Macklin	Pelowski	Svigum
Bertram	Heap	Marsh	Peterson	Swenson
Bishop	Henry	McDonald	Poppenhagen	Tjornhom
Blatz	Himle	McGuire	Price	Tompkins
Boo	Hugoson	McLaughlin	Pugh	Trimble
Brown	Jacobs	McPherson	Quinn	Tunheim
Burger	Janezich	Milbert	Redalen	Uphus
Carlson, L.	Jaros	Miller	Reding	Valento
Carruthers	Jefferson	Morrison	Rest	Vellenga
Clark	Jennings	Munger	Rice	Wagenius
Conway	Johnson, A.	Murphy	Richter	Waltman
Cooper	Johnson, R.	Nelson, C.	Rodosovich	Weaver
Dauner	Johnson, V.	Nelson, K.	Rukavina	Welle
Dawkins	Kahn	O'Connor	Runbeck	Wenzel
Dempsey	Kalis	Olson, E.	Sarna	Williams
Dille	Kelly	Olson, K.	Schafer	Winter
Dorn	Kelso	Omann	Scheid	Wynia
Forsythe	Kinkel	Onnen	Schreiber	Spk. Vanasek
Frederick	Knickerbocker	Orenstein	Seaberg	

Those who voted in the negative were:

McEachern

The bill was passed and its title agreed to.

S. F. No. 1498, A bill for an act relating to local government; planning and zoning; permitting interim use permits; making explicit the scope of certain statutes; amending Minnesota Statutes 1988, section 462.358, subdivision 2a; proposing coding for new law in Minnesota Statutes, chapter 462.

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	Anderson, G.	Anderson, R.	Battaglia	Bauerly
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Beard	Gutknecht	Limmer	Otis	Simoneau
Begich	Hartle	Long	Ozment	Skoglund
Bennett	Hasskamp	Lynch	Pappas	Solberg
Bertram	Haukoos	Macklin	Pauly	Sparby
Bishop	Heap	Marsh	Pellow	Stanius
Blatz	Henry	McDonald	Pelowski	Steenasma
Boo	Himle	McEachern	Peterson	Sviggum
Brown	Hugoson	McGuire	Poppenhagen	Swenson
Burger	Janezich	McLaughlin	Price	Tjornhom
Carlson, L.	Jaros	McPherson	Pugh	Tompkins
Carruthers	Jefferson	Milbert	Quinn	Trimble
Clark	Jennings	Miller	Redalen	Tunheim
Conway	Johnson, A.	Morrison	Reding	Uphus
Cooper	Johnson, R.	Munger	Rest	Valento
Dauner	Johnson, V.	Murphy	Rice	Vellenga
Dawkins	Kahn	Nelson, C.	Richter	Wagenius
Dempsey	Kalis	Nelson, K.	Rodosovich	Waltman
Dille	Kelly	O'Connor	Rukavina	Weaver
Dorn	Kelso	Olson, E.	Runbeck	Welle
Forsythe	Kinkel	Olson, K.	Sarna	Wenzel
Frederick	Knickerbocker	Omam	Schafer	Williams
Frerichs	Kostobryz	Onnen	Scheid	Winter
Girard	Krueger	Orenstein	Schreiber	Wynia
Greenfield	Lasley	Osthoff	Seaberg	Spk. Vanasek
Gruenes	Lieder	Ostrom	Segal	

The bill was passed and its title agreed to.

S. F. No. 1020 was reported to the House.

Carlson, L., moved that S. F. No. 1020 be temporarily laid over on Special Orders. The motion prevailed.

H. F. No. 257 was reported to the House.

Williams moved to amend H. F. No. 257, the second engrossment, as follows:

Pages 14 to 16, delete section 16

Renumber the sections in sequence

Correct internal references

Amend the title as follows:

Page 1, delete line 10

Page 1, line 11, delete "system;"

Page 1, line 22, delete "proposing coding for new law in"

Page 1, line 23, delete "Minnesota Statutes, chapter 16B;"

The motion prevailed and the amendment was adopted.

H. F. No. 257, A bill for an act relating to state government; regulating markings on state vehicles; eliminating the requirement that certain reports of occupational licensing boards be summarized; eliminating certain prohibitions against state purchase of insurance; regulating state sale of goods and services; regulating certain small business assistance programs; clarifying responsibility for the operation and maintenance of certain buildings; regulating government record keeping; prescribing compensation for certain board members; amending Minnesota Statutes 1988, sections 15.0575, subdivision 3; 15.16; 15.17, subdivision 1; 15.39, subdivision 1; 15A.081, subdivisions 1 and 7; 16A.85, subdivision 2; 16B.06, subdivision 4; 16B.19, subdivision 6; 16B.20, subdivision 2; 16B.22, subdivision 1; 16B.24, subdivisions 1, 5, and 6; 16B.405, subdivision 1; 16B.48; 16B.54, subdivision 2; 138.17, subdivision 1; 214.07, subdivision 2; 214.09, subdivision 3; 473.141, subdivision 3; and 600.135, subdivision 1; repealing Minnesota Statutes 1988, section 15.38.

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

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

Those who voted in the affirmative were:

Abrams	Frerichs	Kostohryz	Orenstein	Seaberg
Anderson, G.	Girard	Krueger	Osthoff	Segal
Anderson, R.	Greenfield	Lasley	Ostrom	Simoneau
Battaglia	Gruenes	Lieder	Otis	Skoglund
Bauerly	Gutknecht	Limmer	Ozment	Solberg
Beard	Hartle	Long	Pappas	Sparby
Begich	Hasskamp	Lynch	Pauly	Stanius
Bennett	Haukoos	Macklin	Pellow	Steenasma
Bertram	Heap	Marsh	Pelowski	Sviggum
Bishop	Henry	McDonald	Peterson	Swenson
Blatz	Himle	McEachern	Poppenhagen	Tjornhom
Boo	Hugoson	McGuire	Price	Tompkins
Brown	Jacobs	McLaughlin	Pugh	Trimble
Burger	Janezich	McPherson	Quinn	Tunheim
Carlson, L.	Jaros	Milbert	Redalen	Uphus
Carruthers	Jefferson	Miller	Reding	Valento
Clark	Jennings	Morrison	Rest	Vellenga
Conway	Johnson, A.	Munger	Rice	Wagenius
Cooper	Johnson, R.	Murphy	Richter	Waltman
Dauner	Johnson, V.	Nelson, C.	Rodosovich	Weaver
Dawkins	Kahn	Nelson, K.	Rukavina	Welle
Dempsey	Kalis	O'Connor	Runbeck	Wenzel
Dille	Kelly	Olson, E.	Sarna	Williams
Dorn	Kelso	Olson, K.	Schafer	Winter
Forsythe	Kinkel	Omann	Scheid	Wynia
Frederick	Knickerbocker	Onnen	Schreiber	Spk. Vanasek

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

H. F. No. 982, A bill for an act relating to animals; establishing a study commission to report to the legislature on the feasibility of a pilot program in the metropolitan area for reducing the population of unwanted dogs and cats through low-cost spaying and neutering.

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 58 yeas and 70 nays as follows:

Those who voted in the affirmative were:

Anderson, R.	Dempsey	Long	Pappas	Skoglund
Bauerly	Forsythe	Marsh	Pauly	Solberg
Beard	Greenfield	McEachern	Pelowski	Sparby
Bennett	Janezich	McLaughlin	Price	Steensma
Bertram	Jefferson	Munger	Quinn	Trimble
Boo	Johnson, A.	Nelson, C.	Reding	Tunheim
Brown	Johnson, R.	Nelson, K.	Rest	Vellenga
Carlson, L.	Johnson, V.	O'Connor	Rice	Wagenius
Carruthers	Kelly	Orenstein	Rodosovich	Wynia
Clark	Kinkel	Osthoff	Sarna	Spk. Vanasek
Conway	Kostohryz	Ostrom	Segal	
Dawkins	Lieder	Otis	Simoneau	

Those who voted in the negative were:

Abrams	Gruenes	Knickerbocker	Olson, K.	Schreiber
Anderson, G.	Gutknecht	Krueger	Omann	Seaberg
Battaglia	Hartle	Lasley	Onnen	Stanius
Begich	Hasskamp	Limmer	Ozment	Sviggum
Bishop	Haukoos	Lynch	Pellow	Swenson
Blatz	Heap	Macklin	Peterson	Tjornhom
Burger	Henry	McDonald	Poppenhagen	Tompkins
Cooper	Himle	McGuire	Pugh	Uphs
Dauner	Hugoson	McPherson	Redalen	Valento
Dille	Jacobs	Milbert	Richter	Waltman
Dorn	Jaros	Miller	Rukavina	Weaver
Frederick	Jennings	Morrison	Runbeck	Welle
Frerichs	Kahn	Murphy	Schafer	Wenzel
Girard	Kalis	Olson, E.	Scheid	Winter

The bill was not passed.

S. F. No. 535 was reported to the House.

Dempsey moved that S. F. No. 535 be continued on Special Orders. The motion prevailed.

S. F. No. 1020 which was temporarily laid over earlier today was again reported to the House.

Carlson, L., moved to amend S. F. No. 1020, the unofficial engrossment, as follows:

Page 4, line 1, after "may" insert "use,"; after "sell" insert a comma; delete "and" and insert "or"; and after "market" insert "the"

Page 4, line 2, after "products" insert "if royalties for use of the products are paid as provided under an agreement among the board, the commissioner of finance, and the buyer"

Page 5, after line 22, insert:

"In deliberating the approval of the sale, the legislative auditor and the commissioner of finance must consider the inclusion of these factors in the agreement."

Page 5, line 25, delete "By"

Page 5, line 26, delete "September 1, 1989,"

Page 5, line 30, delete "By October 1, 1989,"

Page 5, line 32, delete "By November 1, 1989,"

Page 6, after line 7, insert a section to read:

"Sec. 7. [EFFECTIVE DATE.]

Sections 1 to 6 are effective the day following final enactment."

The motion prevailed and the amendment was adopted.

Trimble moved to amend S. F. No. 1020, the unofficial engrossment, as amended, as follows:

Page 2, lines 25 to 26, delete "general fund" and insert "permanent school fund"

A roll call was requested and properly seconded.

The question was taken on the Trimble amendment and the roll was called. There were 85 yeas and 30 nays as follows:

Those who voted in the affirmative were:

Anderson, R.	Beard	Bertram	Conway	Dorn
Battaglia	Begich	Burger	Cooper	Forsythe
Bauerly	Bennett	Carlson, L.	Dauner	Frederick

Frerichs	Kelso	Omann	Rice	Swenson
Girard	Kostohryz	Onnen	Richter	Tjornhom
Hartle	Krueger	Orenstein	Rukavina	Tompkins
Hasskamp	Lynch	Ostrom	Runbeck	Trimble
Hugoson	Macklin	Otis	Sarna	Tunheim
Jacobs	Marsh	Ozment	Schafer	Vellenga
Janezich	McDonald	Pellow	Scheid	Wagenius
Jaros	McEachern	Pelowski	Segal	Waltman
Jefferson	McGuire	Peterson	Simoneau	Weaver
Jennings	Morrison	Price	Skoglund	Welle
Johnson, A.	Nelson, C.	Quinn	Solberg	Wenzel
Johnson, R.	Nelson, K.	Redalen	Stanius	Williams
Johnson, V.	O'Connor	Reding	Steenasma	Winter
Kelly	Olson, K.	Rest	Sviggun	Spk. Vanasek

Those who voted in the negative were:

Abrams	Dille	Henry	Munger	Pugh
Anderson, G.	Greenfield	Himle	Murphy	Schreiber
Blatz	Gruenes	Kahn	Osthoff	Seaberg
Boo	Gutknecht	Kalis	Pappas	Sparby
Brown	Haukoos	Kinkel	Pauly	Uphus
Dempsey	Heap	Limmer	Poppenhagen	Valento

The motion prevailed and the amendment was adopted.

Kahn offered an amendment to S. F. No. 1020, the unofficial engrossment, as amended.

Carlson, L., requested a division of the Kahn amendment to S. F. No. 1020, the unofficial engrossment, as amended.

The first portion of the Kahn amendment to S. F. No. 1020, the unofficial engrossment, as amended, reads as follows:

Page 4, line 11, delete "are" and insert "can be"

Page 4, line 17, delete everything after "for"

Page 4, delete lines 18 to 26

Page 4, line 27, delete "(4)"

Page 4, lines 30 and 31, delete "under subdivision 4, clause (3)" and insert "by an organized group of the employees of the corporation"

Page 4, line 33, delete "according to subdivision 4" and insert "by a private or public corporation"

Page 5, after line 4, insert:

"(1) A cost benefit analysis of the proposal for Minnesota educational institutions;"

Renumber the clauses in order

The motion prevailed and the first portion of the Kahn amendment to S. F. No. 1020, the unofficial engrossment, as amended, was adopted.

The second portion of the Kahn amendment to S. F. No. 1020, the unofficial engrossment, as amended, reads as follows:

Page 6, line 7, after "legislature." insert "It is the intent of the legislature to take action relating to the sale of the corporation during the 1990 legislative session."

A roll call was requested and properly seconded.

The question was taken on the second portion of the Kahn amendment and the roll was called. There were 31 yeas and 95 nays as follows:

Those who voted in the affirmative were:

Anderson, G.	Jaros	McLaughlin	Pappas	Steensma
Battaglia	Kahn	Miller	Peterson	Trimble
Boo	Kalis	Munger	Reding	Wagenius
Clark	Kelly	Murphy	Rukavina	
Cooper	Kostohryz	Nelson, C.	Scheid	
Dawkins	Krueger	Osthoff	Skoglund	
Janezich	McGuire	Otis	Solberg	

Those who voted in the negative were:

Abrams	Frerichs	Knickerbocker	Orenstein	Seaberg
Anderson, R.	Girard	Lasley	Ostrom	Segal
Bauerly	Greenfield	Lieder	Ozment	Simoneau
Beard	Gruenes	Limmer	Pauly	Stanisus
Begich	Gutknecht	Long	Pellow	Sviggum
Bennett	Hartle	Lynch	Pelowski	Swenson
Bertram	Hasskamp	Macklin	Poppenhagen	Tjornhom
Blatz	Haukoos	Marsh	Price	Tompkins
Brown	Heap	McDonald	Pugh	Tunheim
Burger	Henry	McEachern	Quinn	Uphus
Carlson, L.	Himle	McPherson	Redalen	Valento
Carruthers	Hugoson	Milbert	Rest	Vellenga
Conway	Jacobs	Morrison	Rice	Waltman
Dauner	Jennings	Nelson, K.	Richter	Weaver
Dempsey	Johnson, A.	O'Connor	Rodosovich	Welle
Dille	Johnson, R.	Olson, E.	Runbeck	Wenzel
Dorn	Johnson, V.	Olson, K.	Sarna	Williams
Forsythe	Kelso	Omamm	Schafer	Winter
Frederick	Kinkel	Onnen	Schreiber	Spk. Vanasek

The motion did not prevail and the second portion of the Kahn amendment to S. F. No. 1020, the unofficial engrossment, as amended, was not adopted.

S. F. No. 1020, A bill for an act relating to education; authorizing and establishing procedures for the sale of all or part of the Minnesota Educational Computing Corporation; amending Minnesota Statutes 1988, sections 119.04, subdivision 2, and by adding subdivisions; 119.06, subdivision 3; and 119.09.

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 107 yeas and 22 nays as follows:

Those who voted in the affirmative were:

Anderson, R.	Girard	Lieder	Ostrom	Simoneau
Battaglia	Greenfield	Limmer	Otis	Skoglund
Bauerly	Gutknecht	Long	Ozment	Sparby
Beard	Hartle	Lynch	Pauly	Stanius
Begich	Haukoos	Macklin	Pellow	Sviggum
Bennett	Heap	Marsh	Pelowski	Swenson
Bertram	Henry	McDonald	Poppenhagen	Tjornhom
Blatz	Himle	McEachern	Price	Tompkins
Boo	Hugoson	McGuire	Pugh	Tunheim
Brown	Jacobs	McLaughlin	Quinn	Uphus
Burger	Janezich	McPherson	Redalen	Valento
Carlson, L.	Jefferson	Milbert	Rest	Vellenga
Carruthers	Jennings	Miller	Rice	Waltman
Clark	Johnson, A.	Morrison	Richter	Weaver
Conway	Johnson, R.	Nelson, C.	Rodosovich	Wenzel
Dauner	Johnson, V.	Nelson, K.	Runbeck	Williams
Dawkins	Kelso	O'Connor	Sarna	Winter
Dille	Kinkel	Olson, E.	Schafer	Wynia
Dorn	Knickerbocker	Olson, K.	Scheid	Spk. Vanasek
Forsythe	Kostohryz	Omann	Schreiber	
Frederick	Krueger	Onnen	Seaberg	
Frerichs	Lasley	Orenstein	Segal	

Those who voted in the negative were:

Abrams	Hasskamp	Munger	Reding	Wagenius
Anderson, G.	Jaros	Murphy	Rukavina	Welle
Cooper	Kahn	Osthoff	Solberg	
Dempsey	Kalis	Pappas	Steensma	
Gruenes	Kelly	Peterson	Trimble	

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

GENERAL ORDERS

Wynia moved that the bills on General Orders for today be continued. The motion prevailed.

The Speaker resumed the Chair.

MOTIONS AND RESOLUTIONS

Jaros moved that the names of Murphy and Boo be stricken and the names of Johnson, R., and Knickerbocker be added as authors on H. F. No. 872. The motion prevailed.

Anderson, G., moved that H. F. No. 66, now on Technical General Orders, be re-referred to the Committee on Taxes. The motion prevailed.

Murphy moved that H. F. No. 1763 be recalled from the Committee on Economic Development and be re-referred to the Committee on Taxes. The motion prevailed.

Battaglia moved that S. F. No. 1252 be recalled from the Committee on Taxes and together with H. F. No. 1410, now on the Technical Consent Calendar, be referred to the Chief Clerk for comparison. The motion prevailed.

House Resolution No. 10 was reported to the House.

Bennet moved that House Resolution No. 10 be now adopted.

HOUSE RESOLUTION NO. 10

A house resolution designating September 24, 1989, as United States Marshals Bicentennial Day.

Whereas, the office of United States Marshal was created by act of the First Congress which became law on September 24, 1789, and, for more than a century, the United States marshals provided the only nationwide civilian police power available to the President, Congress, and the courts; and

Whereas, the United States marshals have played a crucial role in most of the major episodes in America's history, from the Whiskey Rebellion of 1794, to the Reconstruction Era following the Civil War, and the enforcement of the Civil Rights Acts of the 1960's; and

Whereas, more than 300 United States marshals and deputy marshals have given their lives in the course of carrying out their law enforcement responsibilities; and

Whereas, the United States marshals and their deputies are today charged with responsibilities essential to the operation of the

Federal justice system, including the provision of security for the Federal courts and the protection of judicial officers, the pursuit and arrest of fugitives from justice, the enforcement of the orders of the court, and the management of seized criminal assets; and

Whereas, through their consistent and tenacious dedication to duty since 1789, the United States marshals and their deputies have made and continue to make immeasurable contributions to the rule of law and the protection of human rights through law in the United States; *Now, Therefore*,

Be It Resolved by the House of Representatives of the State of Minnesota that it designates September 24, 1989, as United States Marshals Bicentennial Day. The people of Minnesota are called upon to observe the day with appropriate ceremonies.

Be It Further Resolved that the Chief Clerk of the House of Representatives is directed to prepare enrolled copies of this resolution, to be authenticated by his signature and that of the Speaker, and that they be presented to Minnesota organizations planning public celebrations of United States Marshals Bicentennial Day.

The motion prevailed and House Resolution No. 10 was adopted.

McLaughlin; Nelson, K.; Long; Jefferson and Wagenius introduced:

House Resolution No. 11, A house resolution commemorating the life and work of Richard Reginald Green.

The resolution was referred to the Committee on Rules and Legislative Administration.

ADJOURNMENT

McLaughlin moved that when the House adjourns today it adjourn until 12:00 noon, Friday, May 12, 1989. The motion prevailed.

McLaughlin moved that the House adjourn. The motion prevailed, and the Speaker declared the House stands adjourned until 12:00 noon, Friday, May 12, 1989.

EDWARD A. BURDICK, Chief Clerk, House of Representatives

STATE OF MINNESOTA

SEVENTY-SIXTH SESSION—1989

FIFTY-FIRST DAY

SAINT PAUL, MINNESOTA, FRIDAY, MAY 12, 1989

The House of Representatives convened at 12:00 noon and was called to order by Robert E. Vanasek, Speaker of the House.

Prayer was offered by Monsignor James D. Habiger, House Chaplain.

The roll was called and the following members were present:

Abrams	Frederick	Kostohryz	Orenstein	Skoglund
Anderson, G.	Frerichs	Krueger	Osthoff	Solberg
Anderson, R.	Girard	Lasley	Ostrom	Sparby
Battaglia	Greenfield	Lieder	Otis	Stanius
Bauerly	Greenes	Limmer	Ozment	Steensma
Beard	Gutknecht	Long	Pappas	Sviggum
Begich	Hartle	Lynch	Pellow	Swenson
Bennett	Hasskamp	Macklin	Pelowski	Tjornhom
Bertram	Haukoos	Marsh	Peterson	Tompkins
Bishop	Heap	McDonald	Poppenhagen	Trimble
Blatz	Henry	McEachern	Price	Tunheim
Boo	Himle	McGuire	Pugh	Uphus
Brown	Hugoson	McLaughlin	Quinn	Valento
Burger	Jacobs	McPherson	Redalen	Vellenga
Carlson, D.	Janezich	Milbert	Reding	Wagenius
Carlson, L.	Jaros	Miller	Rest	Waltman
Carruthers	Jefferson	Morrison	Rice	Weaver
Clark	Jennings	Munger	Richter	Welle
Conway	Johnson, A.	Murphy	Rodosovich	Wenzel
Cooper	Johnson, V.	Nelson, C.	Runbeck	Williams
Dauner	Kahn	Nelson, K.	Schafer	Winter
Dawkins	Kalis	O'Connor	Scheid	Wynia
Dempsey	Kelly	Olson, E.	Schreiber	Spk. Vanasek
Dille	Kelso	Olson, K.	Seaberg	
Dorn	Kinkel	Omann	Segal	
Forsythe	Knickerbocker	Onnen	Simoneau	

A quorum was present.

Johnson, R.; Neuenschwander; Ogren; Olsen, S.; Rukavina and Sarna were excused.

Pauly was excused until 12:40 p.m.

The Chief Clerk proceeded to read the Journal of the preceding

day. Hasskamp moved that further reading of the Journal be dispensed with and that the Journal be approved as corrected by the Chief Clerk. The motion prevailed.

REPORTS OF CHIEF CLERK

Pursuant to Rules of the House, printed copies of H. F. Nos. 1410, 1448 and 257 and S. F. No. 783 have been placed in the members' files.

S. F. No. 1252 and H. F. No. 1410, which had been referred to the Chief Clerk for comparison, were examined and found to be identical with certain exceptions.

SUSPENSION OF RULES

Battaglia moved that the rules be so far suspended that S. F. No. 1252 be substituted for H. F. No. 1410 and that the House File be indefinitely postponed. The motion prevailed.

PETITIONS AND COMMUNICATIONS

The following communications were received:

STATE OF MINNESOTA
OFFICE OF THE GOVERNOR
ST. PAUL 55155

May 3, 1989

The Honorable Robert E. Vanasek
Speaker of the House of Representatives
The State of Minnesota

Dear Sir:

I have the honor of informing you that I have received, approved, signed and deposited in the Office of the Secretary of State the following House File:

H. F. No. 501, relating to education; vocational technical; allowing purchase of real property by independent school district No. 347.

Sincerely,

RUDY PERPICH
Governor

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

The Honorable Robert E. Vanasek
Speaker of the House of Representatives

The Honorable Jerome M. Hughes
President of the Senate

I have the honor to inform you that the following enrolled Acts of the 1989 Session of the State Legislature have been received from the Office of the Governor and are deposited in the Office of the Secretary of State for preservation, pursuant to the State Constitution, Article IV, Section 23:

<i>S.F.</i>	<i>H.F.</i>	<i>Session Laws</i>	<i>Time and</i>	<i>Date Filed</i>
<i>No.</i>	<i>No.</i>	<i>Chapter No.</i>	<i>Date Approved</i>	<i>1989</i>
1270		65	15:09-May 3	May 3
	501	66	15:10-May 3	May 3
123		67	15:12-May 3	May 3
671		68	15:07-May 3	May 3
701		69	15:13-May 3	May 3

Sincerely,

JOAN ANDERSON GROWE
Secretary of State

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

The Honorable Robert E. Vanasek
Speaker of the House of Representatives

The Honorable Jerome M. Hughes
President of the Senate

I have the honor to inform you that the following enrolled Acts of the 1989 Session of the State Legislature have been received from the Office of the Governor and are deposited in the Office of the Secretary of State for preservation, pursuant to the State Constitution, Article IV, Section 23:

<i>S.F.</i>	<i>H.F.</i>	<i>Session Laws</i>	<i>Time and</i>	<i>Date Filed</i>
<i>No.</i>	<i>No.</i>	<i>Chapter No.</i>	<i>Date Approved</i>	<i>1989</i>
1488		70	17:00-May 3	May 4

Sincerely,

JOAN ANDERSON GROWE
Secretary of State

STATE OF MINNESOTA
OFFICE OF THE GOVERNOR
ST. PAUL 55155

May 8, 1989

The Honorable Robert E. Vanasek
Speaker of the House of Representatives
The State of Minnesota

Dear Sir:

I have the honor of informing you that I have received, approved, signed and deposited in the Office of the Secretary of State the following House Files:

H. F. No. 85, relating to public safety; regulating boiler operation and inspections.

H. F. No. 212, relating to the city of Hibbing; authorizing two additional on-sale liquor licenses.

H. F. No. 1172, relating to state lands; authorizing private sale of certain tax-forfeited land in Carlton county.

H. F. No. 1056, relating to utilities; regulating noncompetitive and competitive telephone services.

H. F. No. 895, relating to state lands; authorizing the commissioner of transportation to convey certain surplus property to Stevens county for other than public purposes; authorizing the county to sell the property for other than public purposes through a public sale.

H. F. No. 483, relating to crime; including controlled substance offenses in the evidentiary provision of the disorderly house crime.

H. F. No. 1438, memorializing the Board of Governors of the Federal Reserve Board to reject amendments to its rules that would govern permissible activities of state-chartered banks.

Sincerely,

RUDY PERPICH
Governor

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

The Honorable Robert E. Vanasek
Speaker of the House of Representatives

The Honorable Jerome M. Hughes
President of the Senate

I have the honor to inform you that the following enrolled Acts of the 1989 Session of the State Legislature have been received from the Office of the Governor and are deposited in the Office of the Secretary of State for preservation, pursuant to the State Constitution, Article IV, Section 23:

<i>S.F.</i> No.	<i>H.F.</i> No.	<i>Session Laws</i> Chapter No.	<i>Time and</i> <i>Date Approved</i> 1989	<i>Date Filed</i> 1989
	85	71	14:23-May 8	May 8
	212	72	14:25-May 8	May 8
	1172	73	14:26-May 8	May 8
	1056	74	14:28-May 8	May 8
	895	75	14:29-May 8	May 8
	483	77	14:30-May 8	May 8
	1438	Resolution No. 4		May 8

Sincerely,

JOAN ANDERSON GROWE
Secretary of State

STATE OF MINNESOTA
OFFICE OF THE GOVERNOR
ST. PAUL 55155

May 8, 1989

The Honorable Robert E. Vanasek
Speaker of the House of Representatives
The State of Minnesota

Dear Sir:

I have the honor of informing you that I have received, approved, signed and deposited in the Office of the Secretary of State the following House Files:

H. F. No. 819, relating to Hennepin county; providing for the number of commissioners of the county housing and redevelopment authority.

H. F. No. 1351, relating to local government; permitting the Dakota and Washington county housing and redevelopment authorities to waive performance bonds for single family housing construction.

Sincerely,

RUDY PERPICH
Governor

STATE OF MINNESOTA
OFFICE OF THE GOVERNOR
ST. PAUL 55155

May 9, 1989

The Honorable Robert E. Vanasek
Speaker of the House of Representatives
The State of Minnesota

Dear Sir:

I have the honor of informing you that I have received, approved, signed and deposited in the Office of the Secretary of State the following House Files:

H. F. No. 100, relating to state government; regulating part-time employees and employment policies.

H. F. No. 595, relating to housing; providing for relocating residential buildings.

H. F. No. 426, relating to the city of Mankato; authorizing location of certain polling places more than 3,000 feet outside precinct boundaries.

H. F. No. 529, relating to local government; permitting counties, cities, and towns to contribute to certain hospitals.

H. F. No. 22, relating to crimes; prohibiting unauthorized access to computers; imposing penalties.

H. F. No. 1311, relating to public employees; providing a policy prohibiting harassment based on race or disability; requiring discipline for employees who engage in harassment.

Sincerely,

RUDY PERPICH
Governor

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

The Honorable Robert E. Vanasek
Speaker of the House of Representatives

The Honorable Jerome M. Hughes
President of the Senate

I have the honor to inform you that the following enrolled Acts of the 1989 Session of the State Legislature have been received from the Office of the Governor and are deposited in the Office of the Secretary of State for preservation, pursuant to the State Constitution, Article IV, Section 23:

<i>S.F.</i> <i>No.</i>	<i>H.F.</i> <i>No.</i>	<i>Session Laws</i> <i>Chapter No.</i>	<i>Time and</i> <i>Date Approved</i> <i>1989</i>	<i>Date Filed</i> <i>1989</i>
	819	78	18:35-May 8	May 9
	1351	79	18:37-May 8	May 9
	100	81	10:32-May 9	May 9
	595	82	10:33-May 9	May 9
435		84	11:27-May 9	May 9
618		85	11:30-May 9	May 9
134		86	11:32-May 9	May 9
1106		88	11:42-May 9	May 9
787		89	11:50-May 9	May 9
	426	91	11:55-May 9	May 9
	529	92	12:14-May 9	May 9
227		93	12:15-May 9	May 9
	22	95	12:16-May 9	May 9
	1311	96	12:17-May 9	May 9

Sincerely,

JOAN ANDERSON GROWE
Secretary of State

REPORTS OF STANDING COMMITTEES

Anderson, G., from the Committee on Appropriations to which was referred:

H. F. No. 121, A bill for an act relating to veterans; requiring the commissioner of veterans affairs to provide certain grave markers; appropriating money; amending Minnesota Statutes 1988, section 197.23.

Reported the same back with the following amendments:

Page 1, line 10, strike "Subdivision 1. [AUTHORIZATION.]"

Page 1, lines 18 to 21, strike the old language

Page 2, line 4, delete "\$" and insert "\$60,000"

With the recommendation that when so amended the bill pass.

The report was adopted.

Anderson, G., from the Committee on Appropriations to which was referred:

H. F. No. 235, A bill for an act relating to human services; authorizing counties to establish multidisciplinary chemical abuse prevention teams; authorizing the state planning agency to fund these teams in several counties on a demonstration basis; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 254A.

Reported the same back with the following amendments:

Page 3, line 30, delete "\$" and insert "\$59,000"

With the recommendation that when so amended the bill pass.

The report was adopted.

Anderson, G., from the Committee on Appropriations to which was referred:

H. F. No. 354, A bill for an act relating to elections; providing for handicap access to precinct caucuses and party conventions; providing for interpreters at precinct caucuses and party conventions; making convention and caucus materials available to the visually impaired; appropriating money; amending Minnesota Statutes 1988, sections 202A.13; and 202A.15, subdivision 2; proposing coding for new law in Minnesota Statutes, chapter 202A.

Reported the same back with the following amendments:

Page 2, line 6, delete everything after "shall" and insert "assume responsibility for costs of the services."

Page 2, delete lines 7 to 9

Page 3, line 35, delete everything after "shall" and insert "assume responsibility for the costs of the services."

Page 3, delete line 36

Page 4, delete line 1

Page 4, delete lines 27 to 30 and insert:

"\$100,000 for fiscal year 1990 and \$100,000 for fiscal year 1991 is appropriated to the commissioner of the department of veterans affairs to contract for a healthsports demonstration project for the rehabilitation of disabled veterans."

With the recommendation that when so amended the bill pass.

The report was adopted.

Anderson, G., from the Committee on Appropriations to which was referred:

H. F. No. 391, A bill for an act relating to peace officers; providing eligibility for death benefits for certain fire and rescue unit members and other first responders; amending Minnesota Statutes 1988, section 176B.01, subdivision 2.

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

The report was adopted.

Anderson, G., from the Committee on Appropriations to which was referred:

H. F. No. 408, A bill for an act relating to transportation; specifying that state airports fund money may be used as state's match of costs of the federal essential air services program; establishing registration classification for recreational aircraft; amending Minnesota Statutes 1988, sections 360.305, subdivision 2; and 360.55, by adding a subdivision.

Reported the same back with the following amendments:

Page 2, line 2, after the period insert "No payment may be made under this subdivision to pay for essential air service under the federal Essential Air Service Program unless the state payment is matched equally by funds from one or more political subdivisions or from another local source."

With the recommendation that when so amended the bill pass.

The report was adopted.

Anderson, G., from the Committee on Appropriations to which was referred:

H. F. No. 618, A bill for an act relating to corrections; requiring the commissioner of corrections to make high school diploma equivalency programs available to inmates; providing a reduction in an inmate's supervised release term if the inmate completes such a

program; amending Minnesota Statutes 1988, sections 244.03; and 244.05, subdivision 1, and by adding a subdivision.

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

The report was adopted.

Anderson, G., from the Committee on Appropriations to which was referred:

H. F. No. 633, A bill for an act relating to motor vehicles; increasing and allocating fees and motor vehicle excise tax for dealer plates and in transit plates; restricting use of dealer plates; amending Minnesota Statutes 1988, sections 168.053, subdivision 1; and 168.27, subdivisions 16, 17, and 22.

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

The report was adopted.

Anderson, G., from the Committee on Appropriations to which was referred:

H. F. No. 927, A bill for an act relating to traffic regulations; defining terms; subjecting driver of commercial motor vehicle to stricter federal standard on alcohol-related driving; providing for and regulating category of commercial driver's license and commercial motor vehicle drivers; authorizing Minnesota to join driver license compact; allowing exchange of driver license information with other states; promoting consolidated, complete driver record; imposing penalties; appropriating money; amending Minnesota Statutes 1988, sections 168.011, subdivision 9; 169.01, subdivision 50, and by adding a subdivision; 169.123, subdivisions 1, 2, 4, 5, 5a, 5b, 5c, and 6; 171.01, subdivision 19, and by adding subdivisions; 171.02, subdivision 2; 171.03; 171.04; 171.06, subdivisions 2 and 3; 171.07, by adding a subdivision; 171.10, subdivision 2; 171.12, subdivision 2; 171.13, subdivision 5; 171.14; 171.16, subdivision 1; 171.18; 171.19; 171.20; 171.22, subdivision 1; 171.24; and 171.30, subdivision 3; proposing coding for new law in Minnesota Statutes, chapters 169 and 171.

Reported the same back with the following amendments:

Page 9, line 24, before the period insert "unless the person is entitled to review under section 29"

Page 10, line 9, before the period insert “, unless the person is entitled to review under section 29”

Page 21, lines 6 and 28, before “The” insert “Subject to section 29,”

Page 22, line 10, before the comma insert “and subject to section 29”

Page 22, after line 28, insert:

“Sec. 29. [171.166] [REVIEW OF DISQUALIFICATION.]

Subdivision 1. [REVIEW OF CONVICTIONS.] The commissioner shall review court records of convictions subject to section 28, other than a violation of section 169.121, section 4, or section 169.123, subdivision 3, if the commissioner has reasonable cause to believe the information is pertinent to the disqualification of an individual.

Subd. 2. [NOTIFICATION TO THE SUBJECT OF A COMMERCIAL DRIVER'S LICENSE.] The commissioner shall notify the applicant or license holder and the individual who is the subject of a review, in writing, of the results of the review. The commissioner shall notify the individual reviewed if the information contained in the review could cause license disqualification.

Subd. 3. [RECONSIDERATION OF LICENSE DISQUALIFICATION.] (a) Within 30 days after receiving notice of possible disqualification under subdivision 2, the individual who is the subject of the review may request reconsideration of the notice of possible disqualification. The individual must submit the request for reconsideration to the commissioner in writing. The individual must present information to show that the information the commissioner relied upon is incorrect or not applicable for disqualification of the individual being reviewed.

(b) The commissioner may set aside the disqualification if the commissioner finds that the information the commissioner relied upon is incorrect or not applicable for disqualification of the individual being reviewed.

(c) The commissioner shall notify the applicant or license holder in writing of the reconsideration decision within 15 working days after receiving the request for reconsideration. The disqualification shall take effect 20 days after receiving the reconsideration decision, unless the person requests a contested case hearing under subdivision 4.

Subd. 4. [CONTESTED CASE.] Within 20 days after receiving the reconsideration decision under subdivision 3, clause (c), a person may request a contested case hearing under chapter 14. A contested

case hearing must be held within 20 days of the commissioner's receipt of the contested case hearing request, and the administrative law judge's report must be issued within 20 days from the close of the hearing record. The commissioner must issue a final decision within 30 days from receipt of the report of the administrative law judge and subsequent exceptions and arguments under section 14.61. The disqualification shall take effect upon receipt of the commissioner's final decision."

Page 24, delete section 30

Page 34, delete lines 23 to 26, and insert:

"\$252,000 is appropriated for fiscal year 1990 and \$228,000 is appropriated for fiscal year 1991 from the trunk highway fund to the commissioner of public safety for record keeping, implementation, and administration of sections 1 to 42."

Renumber the sections in sequence

Correct internal references

Amend the title as follows:

Page 1, line 19, delete "171.19;"

With the recommendation that when so amended the bill pass.

The report was adopted.

Long from the Committee on Taxes to which was referred:

H. F. No. 1764, A bill for an act relating to transportation; changing distribution of highway user taxes; authorizing use of state park road account to improve and maintain town roads that provide immediate access to state parks and campgrounds; increasing motor vehicle license tax on older vehicles; increasing dealer's motor vehicle tax; eliminating use of dealer plates by other family members; providing for annual adjustment of gasoline tax rate; reducing shrinkage allowance; transferring an additional ten percent of motor vehicle excise tax receipts for highways and transit; authorizing sale of state transportation bonds; appropriating money; amending Minnesota Statutes 1988, sections 161.081; 161.082, subdivision 2a; 162.06, subdivision 5; 168.013, subdivision 1a; 168.27, subdivision 16; 296.02, subdivision 1b, and by adding a subdivision; 296.14, subdivision 1; and 297B.09, subdivision 1; Laws 1979, chapter 280, sections 1 and 2, as amended.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1988, section 161.081, is amended to read:

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

Pursuant to article 14, section 5, of the constitution, five percent of the net highway user tax distribution fund is set aside, and apportioned as follows:

(1) ~~51~~ 28 percent to the trunk highway fund;

(2) ~~41~~ 64 percent to a separate account in the county state-aid highway fund to be known as the county turnback account, which account in the state treasury is hereby created;

(3) 8 percent to a separate account in the municipal state-aid street fund to be known as the municipal turnback account, which account in the state treasury is hereby created.

Sec. 2. Minnesota Statutes 1988, section 161.082, subdivision 2a, is amended to read:

Subd. 2a. An amount equal to ~~20~~ 25 percent of the county turnback account must be expended, within counties having two or more towns, on town road bridge structures that are 10 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. 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.

An amount equal to ~~37~~ 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.

Sec. 3. Minnesota Statutes 1988, section 162.06, subdivision 5, is amended to read:

Subd. 5. [STATE PARK ROAD ACCOUNT.] After deducting for administrative costs and for the disaster account and research account as heretofore provided from the remainder of the total sum provided for in subdivision 1, there shall be deducted a sum equal to the three-quarters of one percent of the remainder. The sum so

deducted shall be set aside in a separate account and shall be used for (1) the establishment, location, relocation, construction, reconstruction, and improvement of those roads included in the county state-aid highway system under Minnesota Statutes 1961, section 162.02, subdivision 6, which border and provide substantial access to an outdoor recreation unit as defined in section 86A.04 or which provide access to the headquarters of or the principal parking lot located within such a unit, and (2) the reconstruction, improvement, repair, and maintenance of county roads, city streets, and town roads that provide immediate access to public lakes, state parks, and state campgrounds. Roads described in clause (2) are not required to meet county state-aid highway standards. At the request of the commissioner of natural resources the counties wherein such roads are located shall do such work as requested in the same manner as on any county state-aid highway and shall be reimbursed for such construction, reconstruction, or improvements from the amount set aside by this subdivision. Before requesting a county to do work on a county state-aid highway as provided in this subdivision, the commissioner of natural resources must obtain approval for the project from the county state-aid screening board. The screening board, before giving its approval, must obtain a written comment on the project from the county engineer of the county requested to undertake the project. Before requesting a county to do work on a county road, city street, or a town road that provides immediate access to a public lake, a state park, or a state campground, the commissioner of natural resources shall obtain a written comment on the project from the county engineer of the county requested to undertake the project. Any sums paid to counties or cities in accordance with this subdivision shall reduce the money needs of said counties or cities in the amounts necessary to equalize their status with those counties or cities not receiving such payments. Any balance of the amount so set aside, at the end of each year shall be transferred to the county state-aid highway fund.

Sec. 4. Minnesota Statutes 1988, section 162.081, subdivision 1, is amended to read:

Subdivision 1. [ACCOUNT CREATED.] A town road account is created in the county state-aid highway fund, consisting of ~~37 percent~~ of the amounts transferred from the county turnback account as provided in section 161.082.

Sec. 5. Minnesota Statutes 1988, section 168.013, subdivision 1a, is amended to read:

Subd. 1a. [PASSENGER AUTOMOBILES; AMBULANCES; HEARSEES.] (a) On passenger automobiles as defined in section 168.011, subdivision 7, ambulances, and hearses, except as otherwise provided, the tax shall be \$10 plus an additional tax equal to 1.25 percent of the base value; except that on pickup trucks the tax shall be:

(a) for the 1982 registration year, \$10 plus an additional tax equal to .75 percent of base value;

(b) for the 1983 registration year and each succeeding year, \$10 plus an additional tax equal to 1.25 percent of base value.

(b) Subject to the classification provisions herein, "base value" means the manufacturer's suggested retail price of the vehicle including destination charge as reflected on the price listing affixed to the vehicle in conformity with United States Code, title 15, sections 1231 to 1233 (Public Law Number 85-506) or otherwise suggested by the manufacturer or determined by the registrar if no suggested retail price exists, and shall not include the cost of each accessory or item of optional equipment separately added to the vehicle and the suggested retail price.

(c) If unable to determine the base value because the vehicle is specially constructed, or for any other reason, the registrar may establish such value upon the cost price to the purchaser or owner as evidenced by a certificate of cost but not including Minnesota sales or use tax or any local sales or other local tax.

(d) The registrar shall classify every vehicle in its proper base value class as follows:

FROM	TO
\$ 0	\$199.99
200	399.99

and thereafter a series of classes successively set in brackets having a spread of \$200 consisting of such number of classes as will permit classification of all vehicles.

(e) The base value for purposes of this section shall be the middle point between the extremes of its class.

(f) The registrar shall establish the base value, when new, of every passenger automobile, ambulance and hearse registered prior to the effective date of Extra Session Laws 1971, chapter 31, using list price information published by the manufacturer or any nationally recognized firm or association compiling such data for the automotive industry. If unable to ascertain the base value of any registered vehicle in the foregoing manner, the registrar may use any other available source or method. The tax on all previously registered vehicles shall be computed upon the base value thus determined taking into account the depreciation provisions of Extra Session Laws 1971, chapter 31.

(g) Except as provided in paragraph (h), the annual additional tax

computed upon the base value as provided herein, during the first year and second years of vehicle life shall be computed upon 100 percent of the base value; for the second year third and fourth years, 90 percent of such value; for the third year fifth and sixth years, 75 percent of such value; for the fourth year seventh year, 60 percent of such value; for the fifth year, 45 percent of such value; for the sixth year, 35 percent of such value; for the seventh year, 30 percent of such value; for the eighth year, 20 percent of such value; for the ninth year, 15 percent of such value; for the tenth year, ten percent of such value; for the 11th and each succeeding year, the sum of \$13; provided that for registrations renewed on or after January 1, 1982, the annual additional tax for the 11th and each succeeding year of vehicle life shall be \$13, for registrations renewed on or after January 1, 1983, the annual additional tax shall be \$18, for registrations renewed on or after January 1, 1984, the annual additional tax shall be \$22, and for registrations renewed on or after January 1, 1985, the annual additional tax shall be \$25.

In no event shall the annual additional tax be less than \$13 for any registration renewed after January 1, 1982, nor less than \$18 for any registration renewed after January 1, 1983, \$22 for any registration renewed after January 1, 1984, and \$25 for any registration renewed after January 1, 1985.

(h) The annual additional tax under paragraph (g) on a motor vehicle on which the first annual tax was paid before the effective date of this section must not exceed the tax that was paid on that vehicle the year before.

Sec. 6. Minnesota Statutes 1988, section 297B.09, subdivision 1, is amended to read:

Subdivision 1. [GENERAL FUND SHARE.] (a) Money collected and received under this chapter must be deposited in the state treasury and credited to the general fund. The amounts collected and received shall be credited as provided in this subdivision, and transferred from the general fund on July 15 and January 15 of each fiscal year. The commissioner of finance must make each transfer based upon the actual receipts of the preceding six calendar months and include the interest earned during that six-month period. The commissioner of finance may establish a quarterly or other schedule providing for more frequent payments to the transit assistance fund if the commissioner determines it is necessary or desirable to provide for the cash flow needs of the recipients of money from the transit assistance fund.

(b) Thirty percent of the money collected and received under this chapter after June 30, 1988, and before July 1, ~~1991~~ 1989, must be deposited in the highway user tax distribution fund and the transit assistance fund for apportionment as follows: 75 percent must be credited to the highway user tax distribution fund for apportionment

in the same manner and for the same purposes as other money in that fund, and the remaining 25 percent of the money must be credited to the transit assistance fund to be appropriated to the commissioner of transportation for transit assistance within the state and to the regional transit board.

(c) ~~Thirty~~ Thirty-five percent of the money collected and received under this chapter after June 30, ~~1991~~ 1989 and before July 1, 1990, must be deposited in the trunk highway user tax distribution fund and the transit assistance fund for apportionment as follows: 75 percent must be credited to the trunk highway user tax distribution fund for apportionment in the same manner and for the same purposes as other money in that fund, and the remaining 25 percent must be credited to the transit assistance fund.

(d) Forty percent of the money collected and received under this chapter after June 30, 1990, must be deposited in the highway user tax distribution fund and the transit assistance fund for apportionment as follows: 75 percent must be credited to the highway user tax distribution fund for apportionment in the same manner and for the same purposes as other money in that fund, and the remaining 25 percent must be credited to the transit assistance fund.

(e) The distributions under this subdivision to the highway user tax distribution fund until June 30, 1991, and to the trunk highway fund thereafter, must be reduced by the amount necessary to fund the appropriation under section 41A.09, subdivision 1. ~~For the fiscal years ending June 30, 1988, and June 30, 1989,~~ The commissioner of finance, before making the transfers required on July 15 and January 15 of each year, shall estimate the amount required to fund the appropriation under section 41A.09, subdivision 1, for the six-month period for which the transfer is being made. The commissioner shall then reduce the amount transferred to the highway user tax distribution fund by the amount of that estimate. The commissioner shall reduce the estimate for any six-month period by the amount by which the estimate for the previous six-month period exceeded the amount needed to fund the appropriation under section 41A.09, subdivision 1, for that previous six-month period. If at any time during a six-month period in those fiscal years the amount of reduction in the transfer to the highway user tax distribution fund is insufficient to fund the appropriation under section 41A.09, subdivision 1 for that period, the commissioner shall transfer to the general fund from the highway user tax distribution fund an additional amount sufficient to fund the appropriation for that period, but the additional amount so transferred to the general fund in a six-month period may not exceed the amount transferred to the highway user tax distribution fund for that six-month period.

Sec. 7. [APPROPRIATIONS.]

Subdivision 1. [HIGHWAY DEVELOPMENT.] \$40,000,000 is ap-

appropriated from the funds indicated to the commissioner of transportation for highway development, to be available for the fiscal year ending June 30 in the years indicated, as follows:

	1990	1991
(a) <u>Trunk highways</u> <u>This appropriation is from the trunk highway fund.</u>	<u>\$5,700,000</u>	<u>\$18,400,000</u>
(b) <u>County state aids</u> <u>This appropriation is from the county state-aid highway fund and is available until spent.</u>	<u>\$2,950,000</u>	<u>\$ 9,400,000</u>
(c) <u>Municipal state aids</u> <u>This appropriation is from the municipal state-aid street fund and is available until spent.</u>	<u>\$ 850,000</u>	<u>\$ 2,700,000</u>

Sec. 8. [EFFECTIVE DATE.]

Sections 1 to 5 and 7 are effective July 1, 1989. Section 5 is effective November 15, 1989, for registration year 1990 and subsequent years."

Delete the title and insert:

"A bill for an act relating to transportation; changing distribution of highway user taxes; authorizing use of state park road account to improve and maintain city streets and town roads that provide immediate access to state parks and campgrounds; increasing motor vehicle license tax on older vehicles; appropriating money; amending Minnesota Statutes 1988, sections 161.081; 161.082, subdivision 2a; 162.06, subdivision 5; 162.081, subdivision 1; 168.013, subdivision 1a; and 297B.09, subdivision 1."

With the recommendation that when so amended the bill pass.

The report was adopted.

Anderson, G., from the Committee on Appropriations to which was referred:

S. F. No. 1011, A bill for an act relating to highways; redesignating the AMVETS memorial highway as the American Veterans Memorial Highway; amending Minnesota Statutes 1988, section 161.14, subdivision 23.

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

The report was adopted.

SECOND READING OF HOUSE BILLS

H. F. Nos. 121, 235, 354, 391, 408, 618, 633, 927 and 1764 were read for the second time.

SUSPENSION OF RULES

Pursuant to Article IV, Section 19, of the Constitution of the state of Minnesota, Kalis moved that the rule therein be suspended and an urgency be declared so that H. F. No. 1764 be given its third reading and be placed upon its final passage. The motion prevailed.

Kalis moved that the Rules of the House be so far suspended that H. F. No. 1764 be given its third reading and be placed upon its final passage. The motion prevailed.

Waltman moved to amend H. F. No. 1764, the first engrossment, as follows:

Page 2, line 34, after "lakes" insert ", rivers"

Page 3, line 14, after "lake," insert "a river,"

The motion prevailed and the amendment was adopted.

Valento moved to amend H. F. No. 1764, the first engrossment, as amended, as follows:

Page 5, line 7, after "(g)" delete the new language

Page 5, lines 8 to 35, delete the new language and reinstate the stricken language

Pages 7 and 8, delete section 7

Page 8, line 18, delete "8" and insert "7"

Page 8, line 19, delete "5 and 7" and insert "6" and delete everything after the period

Page 8, delete lines 20 and 21

Amend the title as follows:

Page 1, line 6, delete everything after the semicolon

Page 1, line 7, delete "older vehicles" and insert "making technical corrections"

A roll call was requested and properly seconded.

The question was taken on the Valento amendment and the roll was called. There were 37 yeas and 85 nays as follows:

Those who voted in the affirmative were:

Abrams	Gutknecht	Limmer	Pugh	Tjornhom
Beard	Haukoos	Lynch	Richter	Tompkins
Bennett	Heap	Macklin	Runbeck	Valento
Blatz	Henry	McPherson	Schafer	Waltman
Boo	Himle	Miller	Schreiber	Weaver
Dempsey	Kelly	Osthoff	Stanius	
Forsythe	Kelso	Pellow	Sviggum	
Frerichs	Knickerbocker	Poppenhagen	Swenson	

Those who voted in the negative were:

Anderson, G.	Girard	Krueger	Onnen	Segal
Anderson, R.	Greenfield	Lasley	Orenstein	Simoneau
Battaglia	Gruenes	Lieder	Ostrom	Skoglund
Bauerly	Hartle	Long	Otis	Solberg
Begich	Hasskamp	Marsh	Ozment	Sparby
Bertram	Hugoson	McEachern	Pappas	Steensma
Carlson, D.	Jacobs	McGuire	Pauly	Trimble
Carlson, L.	Janezich	McLaughlin	Pelowski	Tunheim
Carruthers	Jaros	Morrison	Peterson	Uphus
Clark	Jefferson	Munger	Price	Vellenga
Conway	Jennings	Murphy	Quinn	Wagenius
Cooper	Johnson, A.	Nelson, C.	Redalen	Welle
Dauner	Johnson, V.	Nelson, K.	Reding	Wenzel
Dawkins	Kahn	O'Connor	Rest	Williams
Dille	Kahis	Olson, E.	Rice	Winter
Dorn	Kinkel	Olson, K.	Rodosovich	Wynia
Frederick	Kostohryz	Omann	Seaberg	Spk. Vanasek

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

Girard, Hugoson and Sviggum moved to amend H: F. No. 1764, the first engrossment, as amended, as follows:

Pages 3 to 5, delete section 5

Page 6, line 27, delete "Thirty-five" and insert "Forty-five"

Page 6, line 36, delete "Forty" and insert "Fifty"

Renumber the sections in sequence

Correct internal references

Amend the title accordingly

A roll call was requested and properly seconded.

The question was taken on the Girard et al amendment and the roll was called. There were 44 yeas and 79 nays as follows:

Those who voted in the affirmative were:

Abrams	Hasskamp	Lynch	Ozment	Stanius
Bennett	Haukoos	Macklin	Pauly	Sviggum
Blatz	Heap	McDonald	Pellow	Swenson
Boo	Henry	McPherson	Poppenhagen	Tjornhom
Dempsey	Himle	Miller	Richter	Tompkins
Forsythe	Hugoson	Morrison	Runbeck	Valento
Frerichs	Johnson, V.	Olson, K.	Schafer	Waltman
Girard	Knickerbocker	Omamm	Schreiber	Weaver
Gutknecht	Limmer	Onnen	Seaberg	

Those who voted in the negative were:

Anderson, G.	Dille	Kinkel	Orenstein	Skoglund
Anderson, R.	Dorn	Kostohryz	Osthoff	Solberg
Battaglia	Frederick	Krueger	Ostrom	Sparby
Bauerly	Greenfield	Lasley	Otis	Stensma
Beard	Gruenes	Lieder	Pappas	Trimble
Begich	Hartle	Long	Pelowski	Tunheim
Bertram	Jacobs	Marsh	Peterson	Uphus
Brown	Janezich	McEachern	Price	Vellenga
Carlson, D.	Jaros	McGuire	Pugh	Wagenius
Carlson, L.	Jefferson	McLaughlin	Quinn	Welle
Carruthers	Jennings	Munger	Redalen	Wenzel
Clark	Johnson, A.	Murphy	Reding	Williams
Conway	Kahn	Nelson, C.	Rice	Winter
Cooper	Kalis	Nelson, K.	Rodosovich	Wynia
Dauner	Kelly	O'Connor	Segal	Spk. Vanasek
Dawkins	Kelso	Olson, E.	Simoneau	

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

Anderson, R., moved to amend H. F. No. 1764, the first engrossment, as amended, as follows:

Page 2, line 34, strike "immediate"

Page 3, line 14, strike "immediate"

The motion prevailed and the amendment was adopted.

Knickerbocker and Sviggum moved to amend H. F. No. 1764, the first engrossment, as amended, as follows:

Page 8, after line 17, insert:

"Sec. 8. [LIGHT RAIL TRANSIT FUNDS.]

No transit funds shall be used for purposes of light rail transit."

Remember the sections in sequence

Correct internal references

Amend the title accordingly

A roll call was requested and properly seconded.

The question was taken on the Knickerbocker and Sviggum amendment and the roll was called. There were 42 yeas and 80 nays as follows:

Those who voted in the affirmative were:

Abrams	Gruenes	Limmer	Onnen	Swenson
Bennett	Gutknecht	Long	Pauly	Tjornhom
Burger	Hartle	Lynch	Pellow	Tompkins
Dempsey	Hasskamp	Macklin	Poppenhagen	Valento
Dille	Haukoos	Marsh	Richter	Waltman
Forsythe	Heap	McDonald	Runbeck	Weaver
Frederick	Henry	McPherson	Schafer	
Frerichs	Hugoson	Miller	Schreiber	
Girard	Knickerbocker	Omann	Sviggum	

Those who voted in the negative were:

Anderson, G.	Dauner	Kinkel	Ostrom	Skoglund
Anderson, R.	Dawkins	Kostohryz	Otis	Solberg
Battaglia	Dorn	Krueger	Ozment	Sparby
Bauerly	Greenfield	Lasley	Pappas	Stanius
Beard	Himle	Lieder	Pelowski	Stensma
Begich	Jacobs	McEachern	Peterson	Trimble
Bertram	Janezich	McGuire	Price	Tunheim
Blatz	Jaros	McLaughlin	Pugh	Uphus
Boo	Jefferson	Milbert	Quinn	Vellenga
Brown	Jennings	Murphy	Reding	Wagenius
Carlson, D.	Johnson, A.	Nelson, C.	Rest	Welle
Carlson, L.	Johnson, V.	Nelson, K.	Rice	Wenzel
Carruthers	Kahn	O'Connor	Rodosovich	Williams
Clark	Kalis	Olson, E.	Seaberg	Winter
Conway	Kelly	Orenstein	Segal	Wynia
Cooper	Kelso	Osthoff	Simoneau	Spk. Vanasek

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

Onnen and Jacobs moved to amend H. F. No. 1764, the first engrossment, as amended, as follows:

Pages 3 to 5 delete section 5 and insert:

"Sec. 5. Minnesota Statutes 1988, section 168.013, subdivision 1a, is amended to read:

Subd. 1a. [PASSENGER AUTOMOBILES; AMBULANCES; HEARSEs.] On passenger automobiles as defined in section 168.011, subdivision 7, ambulances, and hearses, except as otherwise provided, the tax shall be \$10 \$22 on vehicles in the first seven years of vehicle life and \$17 on vehicles in the eighth and each succeeding year of vehicle life, plus an additional tax equal to 1.25 percent of the base value, except that on pickup trucks the tax shall be:

(a) for the 1982 registration year, \$10 plus an additional tax equal to .75 percent of base value;

(b) for the 1983 registration year and each succeeding year, \$10 plus an additional tax equal to 1.25 percent of base value.

Subject to the classification provisions herein, "base value" means the manufacturer's suggested retail price of the vehicle including destination charge as reflected on the price listing affixed to the vehicle in conformity with United States Code, title 15, sections 1231 to 1233 (Public Law Number 85-506) or otherwise suggested by the manufacturer or determined by the registrar if no suggested retail price exists, and shall not include the cost of each accessory or item of optional equipment separately added to the vehicle and the suggested retail price.

If unable to determine the base value because the vehicle is specially constructed, or for any other reason, the registrar may establish such value upon the cost price to the purchaser or owner as evidenced by a certificate of cost but not including Minnesota sales or use tax or any local sales or other local tax.

The registrar shall classify every vehicle in its proper base value class as follows:

FROM	TO
\$ 0	\$199.99
200	399.99

and thereafter a series of classes successively set in brackets having a spread of \$200 consisting of such number of classes as will permit classification of all vehicles.

The base value for purposes of this section shall be the middle point between the extremes of its class.

The registrar shall establish the base value, when new, of every

passenger automobile, ambulance and hearse registered prior to the effective date of Extra Session Laws 1971, chapter 31, using list price information published by the manufacturer or any nationally recognized firm or association compiling such data for the automotive industry. If unable to ascertain the base value of any registered vehicle in the foregoing manner, the registrar may use any other available source or method. The tax on all previously registered vehicles shall be computed upon the base value thus determined taking into account the depreciation provisions of Extra Session Laws 1971, chapter 31.

The annual additional tax computed upon the base value as provided herein, during the first year of vehicle life shall be computed upon 100 percent of the base value; for the second year, 90 percent of such value; for the third year, 75 percent of such value; for the fourth year, 60 percent of such value; for the fifth year, 45 percent of such value; for the sixth year, 35 percent of such value; for the seventh year, 30 percent of such value; for the eighth year, 20 percent of such value; for the ninth year, 15 percent of such value; for the tenth year, ten percent of such value; for the 11th and each succeeding year, the sum of \$13; provided that for registrations renewed on or after January 1, 1982, the annual additional tax for the 11th and each succeeding year of vehicle life shall be \$13, for registrations renewed on or after January 1, 1983, the annual additional tax shall be \$18, for registrations renewed on or after January 1, 1984, the annual additional tax shall be \$22, and for registrations renewed on or after January 1, 1985, the annual additional tax shall be \$25.

In no event shall the annual additional tax be less than \$13 for any registration renewed after January 1, 1982, nor less than \$18 for any registration renewed after January 1, 1983, \$22 for any registration renewed after January 1, 1984, and \$25 for any registration renewed after January 1, 1985."

A roll call was requested and properly seconded.

The question was taken on the Onnen and Jacobs amendment and the roll was called. There were 7 yeas and 111 nays as follows:

Those who voted in the affirmative were:

Beard	Forsythe	McEachern	Onnen
Dille	Jacobs	O'Connor	

Those who voted in the negative were:

Abrams	Bauerly	Blatz	Carlson, D.	Cooper
Anderson, G.	Begich	Boo	Carlson, L.	Dauner
Anderson, R.	Bennett	Brown	Carruthers	Dawkins
Battaglia	Bertram	Burger	Conway	Dorn

Frederick	Kahn	Morrison	Poppenhagen	Steensma
Frerichs	Kalis	Munger	Price	Sviggum
Girard	Kelly	Murphy	Pugh	Swenson
Greenfield	Kelso	Nelson, C.	Quinn	Tjornhom
Gruenes	Kinkel	Nelson, K.	Redalen	Tompkins
Gutknecht	Knickerbocker	Olson, E.	Reding	Trimble
Hartle	Kostohryz	Olson, K.	Rest	Tunheim
Hasskamp	Krueger	Omamm	Rice	Uphus
Heap	Lasley	Orenstein	Rodosovich	Valento
Henry	Lieder	Osthoff	Runbeck	Vellenga
Himle	Limmer	Ostrom	Schafer	Wagenius
Hugoson	Long	Otis	Scheid	Waltman
Janezich	Macklin	Ozment	Seaberg	Weaver
Jaros	Marsh	Pappas	Segal	Welle
Jefferson	McDonald	Pauly	Skoglund	Wenzel
Jennings	McGuire	Pellow	Solberg	Williams
Johnson, A.	McLaughlin	Pelowski	Sparby	Winter
Johnson, V.	Miller	Peterson	Stanius	Wynia
				Spk. Vanasek

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

Schreiber moved to amend H. F. No. 1764, the first engrossment, as amended, as follows:

Page 5, line 7, after "(g)" delete the new language

Page 5, lines 8 to 35, delete the new language and reinstate the stricken language

Page 5, line 12, strike "75" and insert "80"

Page 5, line 13, strike "60" and insert "70"

Page 5, line 14, strike "45" and insert "60" and strike "35" and insert "50"

Page 5, line 15, strike "30" and insert "40"

Page 5, line 16, strike "20" and insert "30"

Page 5, line 17, strike "15" and insert "20"

Adjust the appropriation totals in section 7 accordingly

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

H. F. No. 1764, A bill for an act relating to transportation; changing distribution of highway user taxes; authorizing use of state park road account to improve and maintain city streets and town roads that provide immediate access to state parks and campgrounds; increasing motor vehicle license tax on older vehicles; appropriating money; amending Minnesota Statutes 1988, sections

161.081; 161.082, subdivision 2a; 162.06, subdivision 5; 162.081, subdivision 1; 168.013, subdivision 1a; and 297B.09, subdivision 1.

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

The question was taken on the passage of the bill and the roll was called. There were 88 yeas and 40 nays as follows:

Those who voted in the affirmative were:

Anderson, G.	Dorn	Krueger	Osthoff	Simoneau
Anderson, R.	Frederick	Lasley	Ostrom	Solberg
Battaglia	Girard	Lieder	Otis	Sparby
Bauerly	Greenfield	Macklin	Ozment	Steensma
Bertram	Gruenes	Marsh	Pauly	Svigum
Bishop	Hartle	McDonald	Pelowski	Swenson
Brown	Hasskamp	McEachern	Peterson	Tunheim
Burger	Haukoos	McLaughlin	Poppenhagen	Uphus
Carlson, D.	Hugoson	Milbert	Price	Vellenga
Carlson, L.	Janezich	Morrison	Quinn	Waltman
Carruthers	Jaros	Munger	Redalen	Welle
Clark	Jennings	Murphy	Reding	Wenzel
Conway	Johnson, A.	Nelson, C.	Rest	Williams
Cooper	Johnson, V.	Nelson, K.	Rice	Winter
Dauner	Kahn	Olson, E.	Rodosovich	Wynia
Dawkins	Kalis	Olson, K.	Schafer	Spk. Vanasek
Dempsey	Kelso	Omam	Seaberg	
Dille	Kinkel	Ommen	Segal	

Those who voted in the negative were:

Abrams	Gutknecht	Kostohryz	Orenstein	Skoglund
Beard	Heap	Limmer	Pappas	Stanius
Begich	Henry	Long	Pellow	Tjornhom
Bennett	Himle	Lynch	Pugh	Tompkins
Blatz	Jacobs	McGuire	Richter	Trimble
Boo	Jefferson	McPherson	Runbeck	Valento
Forsythe	Kelly	Miller	Scheid	Wagenius
Frerichs	Knickerbocker	O'Connor	Schreiber	Weaver

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

SECOND READING OF SENATE BILLS

S. F. Nos. 1252 and 1011 were read for the second time.

HOUSE ADVISORIES

The following House Advisories were introduced:

Osthoff, Pappas, Battaglia, Stanius and Abrams introduced:

H. A. No. 13, A proposal to study county and city government and services.

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

Gutknecht, Scheid, Osthoff, Boo and Abrams introduced:

H. A. No. 14, A proposal to study proportional voting by presidential electors.

The advisory was referred to the Committee on General Legislation, Veterans Affairs and Gaming.

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. 461, A bill for an act relating to crime victims; modifying the limitations provision governing damage actions brought by sexual assault victims; requiring that victims of crimes against the person be informed of the conditions governing the convicted offender's release from confinement and the identity of the corrections agent supervising the offender; requiring that sexual assault victims be notified when the alleged sex offender is released from pretrial detention; amending Minnesota Statutes 1988, sections 541.07; 611A.03, subdivision 1; and 611A.06; proposing coding for new law in Minnesota Statutes, chapters 541 and 629.

H. F. No. 1221, A bill for an act relating to education; allowing school districts to be considered providers under the state medical assistance plan; proposing coding for new law in Minnesota Statutes, chapter 124.

PATRICK E. FLAHAVEN, Secretary of the Senate

Mr. Speaker:

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

H. F. No. 1353, A bill for an act relating to insurance; requiring insurers to pay the insured's deductible first when recovering from an uninsured motorist under a subrogation claim; amending Minnesota Statutes 1988, section 72A.201, subdivision 6.

H. F. No. 1560, A bill for an act relating to natural resources; authorizing the Elephant Creek impoundment in St. Louis county.

PATRICK E. FLAHAVEN, Secretary of the Senate

Mr. Speaker:

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

H. F. No. 193, A bill for an act relating to crimes; providing that an offender may not demand execution of sentence except under certain circumstances; requiring the board of pardons to meet at least twice each year; amending Minnesota Statutes 1988, sections 609.135, by adding a subdivision; and 638.04.

The Senate has appointed as such committee:

Ms. Peterson, D. C.; Messrs. Spear and Belanger.

Said House File is herewith returned to the House.

PATRICK E. FLAHAVEN, Secretary of the Senate

Mr. Speaker:

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

H. F. No. 412, A bill for an act relating to education; changing the definitions of teachers and of supervisory and support personnel for the purpose of licensure; changing the kinds of personnel licensed by the board of teaching and the state board of education; changing the composition of the board of teaching; providing for teacher performance effectiveness plans; amending Minnesota Statutes 1988, sections 125.03, subdivisions 1 and 4; 125.05, subdivisions 1 and 2; 125.08; and 125.183, subdivisions 1 and 3; proposing coding for new law in Minnesota Statutes, chapter 125.

The Senate has appointed as such committee:

Mr. Pehler; Ms. Peterson, D. C., and Mr. Frederickson, D. J.

Said House File is herewith returned to the House.

PATRICK E. FLAHAVEN, Secretary of the Senate

Mr. Speaker:

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

H. F. No. 456, A bill for an act relating to human rights; allowing results of job evaluation systems as evidence in discrimination actions; amending Minnesota Statutes 1988, sections 43A.05, by adding a subdivision; and 471.997.

The Senate has appointed as such committee:

Mses. Reichgott and Berglin and Mr. Laidig.

Said House File is herewith returned to the House.

PATRICK E. FLAHAVEN, Secretary of the Senate

Mr. Speaker:

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

H. F. No. 811, A bill for an act relating to natural resources; changing certain provisions relating to the taking of turtles; amending Minnesota Statutes 1988, sections 97A.475, subdivision 41; 97C.605, subdivisions 2 and 3; and 97C.611; repealing Minnesota Statutes 1988, section 97C.615.

The Senate has appointed as such committee:

Mr. Berg, Ms. Piper and Mr. Frederickson, D. R.

Said House File is herewith returned to the House.

PATRICK E. FLAHAVEN, Secretary of the Senate

Mr. Speaker:

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

H. F. No. 1285, A bill for an act relating to health insurance; changing coverage and administrative procedures relating to the comprehensive health insurance plan; requiring a report; amending

Minnesota Statutes 1988, sections 62E.10, subdivisions 2a, 7, and 9; and 62E.12.

The Senate has appointed as such committee:

Messrs. Brandl, Luther and Storm.

Said House File is herewith returned to the House.

PATRICK E. FLAHAVEN, Secretary of the Senate

Mr. Speaker:

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

H. F. No. 333, A bill for an act relating to recreational vehicles; regulating all-terrain vehicles; setting fees; revising liability provisions regarding county administered lands, recreational areas and the Minnesota zoological garden; imposing a penalty; amending Minnesota Statutes 1988, sections 3.736, subdivision 3; 84.92, subdivision 1, and by adding subdivisions; 84.922, subdivisions 1 and 5, and by adding subdivisions; 84.924, subdivision 3; 84.9256, subdivisions 1, 2, and 3; 84.928, subdivisions 1, 2, and 6; 84.929; 169.02, subdivision 1; and 171.03; repealing Minnesota Statutes 1988, sections 84.922, subdivision 8; 84.925, subdivision 2; 84.928, subdivision 7; and 466.03, by adding a subdivision.

PATRICK E. FLAHAVEN, Secretary of the Senate

Begich moved that the House refuse to concur in the Senate amendments to H. F. No. 333, that the Speaker appoint a Conference Committee of 3 members of the House, and that the House requests that a like committee be appointed by the Senate to confer on the disagreeing votes of the two houses. The motion prevailed.

Mr. Speaker:

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

H. F. No. 1540, A bill for an act relating to local government; regulating storm sewer improvements in Plymouth and Golden Valley; amending Laws 1979, chapter 303, article 10, section 15.

PATRICK E. FLAHAVEN, Secretary of the Senate

CONCURRENCE AND REPASSAGE

Heap moved that the House concur in the Senate amendments to H. F. No. 1540 and that the bill be repassed as amended by the Senate. The motion prevailed.

H. F. No. 1540, A bill for an act relating to local government; regulating storm sewer improvements in Plymouth and Golden Valley; amending Laws 1979, chapter 303, article 10, section 15.

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 128 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Abrams	Frederick	Kostohryz	Orenstein	Simoneau
Anderson, G.	Frerichs	Krueger	Osthoff	Skoglund
Anderson, R.	Girard	Lasley	Ostrom	Solberg
Battaglia	Greenfield	Lieder	Otis	Sparby
Bauerly	Gruenes	Limmer	Ozment	Stanias
Beard	Gutknecht	Long	Pappas	Steenasma
Begich	Hartle	Lynch	Pauly	Sviggum
Bennett	Hasskamp	Macklin	Pellow	Swenson
Bertram	Haukoos	Marsh	Pelowski	Tjornhom
Bishop	Heap	McDonald	Peterson	Tompkins
Blatz	Henry	McEachern	Poppenhagen	Trimble
Boo	Himle	McGuire	Price	Tunheim
Brown	Hugoson	McLaughlin	Pugh	Uphus
Burger	Jacobs	McPherson	Quinn	Valento
Carlson, D.	Janezich	Milbert	Redalen	Vellenga
Carlson, L.	Jaros	Miller	Reding	Wagenius
Carruthers	Jefferson	Morrison	Rest	Waltman
Clark	Jennings	Munger	Rice	Weaver
Conway	Johnson, A.	Murphy	Richter	Welle
Cooper	Johnson, V.	Nelson, C.	Rodosovich	Wenzel
Dauner	Kahn	Nelson, K.	Runbeck	Williams
Dawkins	Kalis	O'Connor	Schafer	Winter
Dempsey	Kelly	Olson, E.	Scheid	Wynia
Dille	Kelso	Olson, K.	Schreiber	Spk. Vanasek
Dorn	Kinkel	Omann	Seaberg	
Forsythe	Knickerbocker	Onnen	Segal	

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

Mr. Speaker:

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

S. F. No. 486, A bill for an act relating to juvenile justice; requiring reasonable efforts to prevent placement of children in need of

protection or services proceedings; amending duty of juvenile court to ensure placement prevention and family reunification; defining reasonable efforts; clarifying definitions, jurisdiction, and services for Indian children; requiring preference for racial or ethnic heritage for appointment of guardian ad litem; requiring consideration of reasonable efforts in factors determining neglect; requiring that a child be in imminent danger for detention; permitting social services to release for detention; requiring finding of reasonable efforts at detention; and imposing requirements for disposition case plans; amending Minnesota Statutes 1988, sections 260.012; 260.015, subdivisions 11, 13, 14, and by adding subdivisions; 260.111, by adding a subdivision; 260.135, subdivision 2; 260.141; 260.155, subdivisions 4 and 7; 260.165, subdivision 1; 260.171, subdivision 1; 260.172, subdivisions 1 and 4; 260.173, subdivision 2; 260.181, subdivision 2; and 260.191, subdivisions 1a and 1e.

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

Ms. Berglin, Mr. Spear and Mrs. Brataas.

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

PATRICK E. FLAHAVEN, Secretary of the Senate

Rest moved that the House accede to the request of the Senate and that the Speaker appoint a Conference Committee of 3 members of the House to meet with a like committee appointed by the Senate on the disagreeing votes of the two houses on S. F. No. 486. The motion prevailed.

Mr. Speaker:

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

S. F. Nos. 54, 957, 1221, 84, 764, 989, 775, 784 and 1435.

PATRICK E. FLAHAVEN, Secretary of the Senate

FIRST READING OF SENATE BILLS

S. F. No. 54, A bill for an act relating to the city of Edina; authorizing the city to operate a public transit system and to acquire necessary equipment, land, and interests in land; permitting the establishment of special service districts in the city; providing that the city and the housing and redevelopment authority need not

require competitive bidding and bonds in connection with certain redevelopment projects.

The bill was read for the first time.

Forsythe moved that S. F. No. 54 and H. F. No. 7, now on General Orders, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 957, A bill for an act relating to economic development; transferring programs under the Minnesota agricultural and economic development board to the department of trade and economic development; changing the governing structure of the certified development company; transferring program responsibilities for the allocation of bonding authority to the department of finance; eliminating certain reporting requirements; transferring tax increment financing reporting requirements; amending Minnesota Statutes 1988, sections 41A.01; 41A.02, subdivisions 7a, 15, 16, and by adding subdivisions; 41A.021; 41A.022; 41A.023; 41A.03, subdivision 3; 41A.035; 41A.036, subdivisions 1, 4, 5, and 6; 41A.04; 41A.05, subdivisions 1, 2, 3, and 4; 41A.051; 41A.06, subdivisions 2, 4, and 5; 41A.07; 41A.08; 469.175, subdivisions 2 and 5; and 474A.02, subdivision 5a; proposing coding for new law in Minnesota Statutes, chapter 116J; repealing Minnesota Statutes 1988, sections 41A.02, subdivision 3; 41A.065; and 469.012, subdivision 5.

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

S. F. No. 1221, A bill for an act relating to the city of Hopkins; authorizing the establishment of special service districts.

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

S. F. No. 84, A bill for an act relating to watercraft; providing for titling of watercraft; providing for perfection of security interests in watercraft; imposing penalties; appropriating money; amending Minnesota Statutes 1988, section 336.9-302; proposing coding for new law as Minnesota Statutes, chapter 361A.

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

S. F. No. 764, A bill for an act relating to local government; changing conditions for the establishment and operation of special service districts in St. Cloud; amending Laws 1985, chapter 301,

sections 5, subdivision 5; 7, subdivision 1; 9; 12; and 13, subdivision 2, and by adding a subdivision; repealing Laws 1985, chapter 301, section 7, subdivision 4.

The bill was read for the first time.

Gruenes moved that S. F. No. 764 and H. F. No. 988, now on the Consent Calendar, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 989, A bill for an act relating to the town of Otsego; authorizing the town to establish an economic development authority and to exercise tax increment financing powers; granting the town the power of a city with respect to the authority.

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

S. F. No. 775, A bill for an act relating to workers' compensation; requiring a report on recodification and simplification of the workers' compensation law; appropriating money.

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

S. F. No. 784, A bill for an act relating to commerce; prohibiting car rental companies from holding renters liable for damages, except under certain circumstances; amending Minnesota Statutes 1988, section 65B.49, subdivision 5a; proposing coding for new law in Minnesota Statutes, chapter 325E.

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

S. F. No. 1435, A bill for an act relating to employment; prohibiting termination of sales representative agreements under certain circumstances; proposing coding for new law in Minnesota Statutes, chapter 325E.

The bill was read for the first time.

Blatz moved that S. F. No. 1435 and H. F. No. 1641, now on General Orders, be referred to the Chief Clerk for comparison. The motion prevailed.

ANNOUNCEMENTS BY THE SPEAKER

The Speaker announced the appointment of the following members of the House to a Conference Committee on H. F. No. 333:

Begich, Pugh and Schafer.

The Speaker announced the appointment of the following members of the House to a Conference Committee on S. F. No. 486:

Rest, Seaberg and Vellenga.

The following Conference Committee Report was received:

CONFERENCE COMMITTEE REPORT ON H. F. NO. 1107

A bill for an act relating to landlord and tenant; authorizing emergency proceeding for loss of essential services; proposing coding for new law in Minnesota Statutes, chapter 566.

May 10, 1989

The Honorable Robert E. Vanasek
Speaker of the House of Representatives

The Honorable Jerome M. Hughes
President of the Senate

We, the undersigned conferees for H. F. No. 1107, report that we have agreed upon the items in dispute and recommend as follows:

That the Senate recede from its amendment.

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

House Conferees: RICHARD H. JEFFERSON, TOM OSTHOFF AND SALLY OLSEN.

Senate Conferees: JOHN J. MARTY, STEVEN MORSE AND FRITZ KNAAK.

Jefferson moved that the report of the Conference Committee on H. F. No. 1107 be adopted and that the bill be repassed as amended by the Conference Committee. The motion prevailed.

H. F. No. 1107, A bill for an act relating to landlord and tenant; authorizing emergency proceeding for loss of essential services; proposing coding for new law in Minnesota Statutes, chapter 566.

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 128 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Abrams	Frederick	Kostohryz	Orenstein	Simoneau
Anderson, G.	Frerichs	Krueger	Osthoff	Skoglund
Anderson, R.	Girard	Lasley	Ostrom	Solberg
Battaglia	Greenfield	Lieder	Otis	Sparby
Bauerly	Gruenes	Limmer	Ozment	Stanius
Beard	Gutknecht	Long	Pappas	Steensma
Begich	Hartle	Lynch	Pauly	Sviggum
Bennett	Hasskamp	Macklin	Pellow	Swenson
Bertram	Haukoos	Marsh	Pelowski	Tjornhom
Bishop	Heap	McDonald	Peterson	Tompkins
Blatz	Henry	McEachern	Poppenhagen	Trimble
Boo	Himle	McGuire	Price	Tunheim
Brown	Hugoson	McLaughlin	Pugh	Uphus
Burger	Jacobs	McPherson	Quinn	Valento
Carlson, D.	Janezich	Milbert	Redalen	Vellenga
Carlson, L.	Jaros	Miller	Reding	Wagenius
Carruthers	Jefferson	Morrison	Rest	Waltman
Clark	Jennings	Munger	Rice	Weaver
Conway	Johnson, A.	Murphy	Richter	Welle
Cooper	Johnson, V.	Nelson, C.	Rodosovich	Wenzel
Dauner	Kahn	Nelson, K.	Runbeck	Williams
Dawkins	Kalis	O'Connor	Schafer	Winter
Dempsey	Kelly	Olson, E.	Scheid	Wynia
Dille	Kelso	Olson, K.	Schreiber	Spk. Vanasek
Dorn	Kinkel	Omann	Seaberg	
Forsythe	Knickerbocker	Onnen	Segal	

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

SPECIAL ORDERS

Wynia moved that the bills on Special Orders for today be continued. The motion prevailed.

GENERAL ORDERS

Wynia moved that the bills on General Orders for today be continued. The motion prevailed.

There being no objection, the order of business reverted to Reports of Standing Committees.

REPORTS OF STANDING COMMITTEES

Long from the Committee on Taxes to which was referred:

H. F. No. 66, A bill for an act relating to gambling; creating a department of gaming; authorizing a state lottery to be conducted by a department of state lottery; creating a division of inspection and enforcement in the department of public safety and providing for its duties; prescribing penalties; appropriating money; amending Minnesota Statutes 1988, sections 10A.01, subdivision 18; 15A.081, subdivision 1; 240.06, subdivisions 3 and 8; 240.07, subdivision 2; 240.08, subdivision 3; 240.21; 290.01, subdivision 19b; 297A.25, by adding a subdivision; 340A.410, subdivision 5; 349.12, subdivisions 11, 17, 20, and by adding subdivisions; 349.151, subdivisions 2 and 4; 349.16, subdivisions 3 and 4; 349.161, subdivision 4; 349.162, subdivisions 1, 2, 4, and 5; 349.163; 349.18, subdivision 1; 349.19, subdivisions 5 and 6; 349.212; 349.2121, subdivisions 2, 3, 4, 4a, 6, 7, 8, and 10; 349.2122; 349.2125, subdivisions 1, 2, and 3; 349.2127, subdivision 2; 349.214, subdivision 2; 349.22, subdivisions 1 and 3; 541.20; 541.21; 609.75, subdivision 3; 609.76, subdivision 1; 609.761; 626.05, subdivision 2; 626.13; and 626.84, subdivision 1; proposing coding for new law as Minnesota Statutes, chapters 299K; 349A; and 349B; proposing coding for new law in Minnesota Statutes, chapters 245 and 349; repealing Minnesota Statutes 1988, sections 349.161, subdivision 7; 349.164, subdivision 5; 349.171; and 349.22, subdivision 4.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"ARTICLE 1

DIVISION OF PARI-MUTUEL HORSE RACING

Section 1. Minnesota Statutes 1988, section 240.01, is amended by adding a subdivision to read:

Subd. 13. [COMMISSIONER.] "Commissioner" is the commissioner of gaming.

Sec. 2. Minnesota Statutes 1988, section 240.01, is amended by adding a subdivision to read:

Subd. 14. [DIRECTOR.] "Director" is the director of pari-mutuel racing.

Sec. 3. Minnesota Statutes 1988, section 240.01, is amended by adding a subdivision to read:

Subd. 15. [DIVISION.] "Division" is the division of pari-mutuel racing in the department of gaming.

Sec. 4. [240.011] [DIVISION OF PARI-MUTUEL RACING.]

Subdivision 1. [DIVISION CREATED.] A division of pari-mutuel racing is created in the department of gaming. The division is under the supervision and control of the Minnesota racing commission and the director of pari-mutuel racing, who have the powers and duties prescribed in this chapter.

Subd. 2. [DIRECTOR OF PARI-MUTUEL RACING.] The commissioner shall appoint the director of pari-mutuel racing, who serves in the unclassified service at the commissioner's pleasure. The director must be a person qualified by experience in the administration and regulation of pari-mutuel racing to discharge the duties of the director.

Subd. 3. [AUDIT.] The legislative auditor shall audit or the director may contract for an audit of the books and accounts of the division annually or as often as the legislative auditor's funds and personnel permit. The director shall pay the total cost of the audit. All collections received for the audits must be deposited in the general fund.

Sec. 5. Minnesota Statutes 1988, section 240.02, subdivision 1, is amended to read:

Subdivision 1. [COMMISSION CREATED.] A Minnesota racing commission is established within the division of pari-mutuel racing with the powers and duties specified in Laws 1983, chapter 214 this section. Until the effective date of the first vacancy on the commission that occurs after the effective date of this act, including a vacancy caused by the expiration of a term, the commission consists of nine members appointed by the governor with the advice and consent of the senate. After that date, the commission consists of eight members appointed by the governor with the advice and consent of the senate, plus the commissioner as a voting member. Not more than five of the members may belong to the same political party. The governor shall designate the chair of the commission. The commission shall select a chair, who shall not be the commissioner, from among its members. Of the members first appointed, three are for terms expiring June 30, 1985, three are for terms expiring June 30, 1987, and three are for terms expiring June 30,

1989. After the expiration of the initial term, appointments are for terms of six years. An appointment to fill a vacancy in an unexpired term is for the remainder of the term and is with the advice and consent of the senate.

Sec. 6. Minnesota Statutes 1988, section 240.02, subdivision 2, is amended to read:

Subd. 2. [QUALIFICATIONS.] A member of the commission must have been a resident of Minnesota for at least five years before appointment, and must have a background and experience as would qualify for membership on the commission. A member must, before taking a place on the commission, file a bond in the principal sum of \$100,000 payable to the state, conditioned upon the faithful performance of duties. No commissioner, nor any member of the commissioner's immediate family residing in the same household, may hold a license issued by the commission or have a direct or indirect financial interest in a corporation, partnership, or association which holds a license issued by the commission. This subdivision does not apply to the commissioner of gaming.

Sec. 7. Minnesota Statutes 1988, section 240.04, subdivision 1, is amended to read:

Subdivision 1. [~~EXECUTIVE DIRECTOR; DUTIES.~~] ~~The commission shall appoint an executive director, who is its chief administrative officer and who serves at its pleasure in the unclassified service. The executive director shall perform the following duties:~~

(a) take and preserve records of all proceedings before the commission, maintain its books, documents, and records, and make them available for public inspection as the commission directs;

(b) if so designated by the commission, act as a hearing officer in hearings which need not be conducted under the administrative procedure act to conduct hearings, receive testimony and exhibits, and certify the record of proceedings to the commission;

(c) act as the commission's chief personnel officer and supervise the employment, conduct, duties, and discipline of commission employees; and

(d) perform other duties as directed by the commission.

Sec. 8. Minnesota Statutes 1988, section 240.04, subdivision 3, is amended to read:

Subd. 3. [DIRECTOR OF RACING SECURITY.] The commission may appoint a director of racing security to serve in the unclassified service at the commission's pleasure. The director of racing security

shall enforce all laws and commission rules relating to the security and integrity of racing. The director of racing security and all other persons designated by the commission as security officers have free and open access to all areas of all facilities the commission licenses and may search without a search warrant any part of a licensed racetrack and the person of any licensee of the commission on the premises. The director of racing security may order a licensee to take, at the licensee's expense, security measures necessary to protect the integrity of racing, but the order may be appealed to the commission. Nothing in this chapter prohibits law enforcement authorities and agents from entering, in the performance of their duties, a premises licensed under Laws 1983, chapter 214.

If no director of racing security is appointed the duties of that office are assigned to the executive director. The commission may contract with outside services or personnel to assist the executive director in the performance of these duties.

The director of racing security may request the assistance of any division of the department in the performance of these duties.

Sec. 9. Minnesota Statutes 1988, section 240.04, subdivision 7, is amended to read:

Subd. 7. [ASSISTANCE.] The commission and director may request assistance from any department or agency of the state, including a division of the department, in fulfilling its duties, and shall make appropriate reimbursement for all such assistance.

Sec. 10. Minnesota Statutes 1988, section 240.06, subdivision 3, is amended to read:

Subd. 3. [INVESTIGATION.] Before granting a class A license the commission shall conduct, or request the division of inspection and enforcement or the bureau of criminal apprehension to conduct, a comprehensive background and financial investigation of the applicant and sources of financing. The commission may charge an applicant an investigation fee to cover the cost of the investigation, and shall from this fee reimburse the bureau or the division of inspection and enforcement for its share of the cost of the investigation. The commission has access to all criminal history data compiled by the bureau of criminal apprehension or the division of inspection and enforcement on class A licensees and applicants.

Sec. 11. Minnesota Statutes 1988, section 240.06, subdivision 8, is amended to read:

Subd. 8. [WORK AREAS.] A class A licensee must provide at no cost to the ~~commission~~ department suitable work areas for commission members, officers, employees, and agents, including agents of

the division of inspection and enforcement, who are directed or requested by the commission to supervise and control racing at the licensed racetrack.

Sec. 12. Minnesota Statutes 1988, section 240.07, subdivision 2, is amended to read:

Subd. 2. [HEARINGS; INVESTIGATIONS.] Before granting an initial class B license the commission shall hold at least one public hearing on the license. Comprehensive investigations must be conducted and their costs paid in the manner prescribed by section 240.06, subdivision 3. The commission has access to all criminal history data compiled by the bureau of criminal apprehension or the division of inspection and enforcement on class B licensees and applicants.

Sec. 13. Minnesota Statutes 1988, section 240.08, subdivision 3, is amended to read:

Subd. 3. [INVESTIGATIONS.] The commission shall investigate each applicant for a class C license to the extent it deems necessary, and may request the assistance of and may reimburse the bureau of criminal apprehension or the division of inspection and enforcement in investigating applicants. The commission may by rule require that an applicant be fingerprinted or furnish the applicant's fingerprints. Investigations must be conducted and their costs paid in the manner prescribed by section 240.06, subdivision 3. The commission may cooperate with national and international organizations and agencies in conducting investigations. The commission may by rule provide for examining the qualifications of an applicant for the license being applied for. The commission has access to all criminal history data compiled by the bureau of criminal apprehension or the division of inspection and enforcement on class C applicants and licensees.

Sec. 14. Minnesota Statutes 1988, section 240.21, is amended to read:

240.21 [RIGHT OF INSPECTION.]

The commission and its representatives, including representatives of the division of inspection and enforcement if requested by the commission to assist in the enforcement of laws and rules, have the right to inspect the licensed premises of a licensee and to examine the licensee's books and other records at any time without a search warrant.

Sec. 15. Minnesota Statutes 1988, section 240.28, is amended to read:

240.28 [CONFLICT OF INTEREST.]

Subdivision 1. [FINANCIAL INTEREST.] No person may serve on the commission or be employed by it the division who has an interest in any corporation, association, or partnership which holds a license from the commission or which holds a contract to supply goods or services to a licensee or at a licensed racetrack, including concessions contracts. No member of the commission or employee of the commission division may own, wholly or in part, or have an interest in a horse which races at a licensed racetrack in Minnesota. No member of the commission or employee of the commission division may have a financial interest in or be employed in a profession or business which conflicts with the performance of duties as a member or employee.

Subd. 2. [BETTING.] No member of the commission or employee of the commission division may bet or cause a bet to be made on a race at a licensed racetrack while serving on the commission or being employed by the commission division. No person appointed or approved by the commission director as a steward may bet or cause a bet to be made at a licensed racetrack during a racing meeting at which the person is serving as a steward. The commission shall by rule prescribe such restrictions on betting by its licensees as it deems necessary to protect the integrity of racing.

Subd. 3. [VIOLATION.] A violation of subdivisions 1 and 2 is grounds for removal from the commission or termination of employment. A bet made directly or indirectly by a licensee in violation of a rule made by the commission under subdivision 2 is grounds for suspension or revocation of the license.

Sec. 16. [REPEALER.]

Minnesota Statutes 1988, section 240.02, subdivision 7, is repealed.

Sec. 17. [EFFECTIVE DATE.]

Sections 1 to 16 are effective July 1, 1989.

ARTICLE 2

DIVISION OF CHARITABLE GAMBLING CONTROL

Section 1. Minnesota Statutes 1988, section 349.12, subdivision 11, is amended to read:

Subd. 11. "Lawful purpose" means one or more of the following: (a) benefiting persons by enhancing their opportunity for religious or educational advancement, by relieving or protecting them from

disease, suffering or distress, by contributing to their physical well-being, by assisting them in establishing themselves in life as worthy and useful citizens, or by increasing their comprehension of and devotion to the principles upon which this nation was founded; (b) initiating, performing, or fostering worthy public works or enabling or furthering the erection or maintenance of public structures; (c) lessening the burdens borne by government or voluntarily supporting, augmenting or supplementing services which government would normally render to the people; (d) any expenditure by, or any contribution to, a hospital or nursing home exempt from taxation under section 501(c)(3) of the Internal Revenue Code; or ~~(d)~~ (e) payment of taxes imposed under this chapter, and other taxes imposed by the state or the United States on receipts from lawful gambling.

“Lawful purpose” does not include the erection, acquisition, improvement, expansion, repair, or maintenance of any real property owned or leased by ~~the an~~ organization, other than a hospital or nursing home exempt from taxation under section 501(c)(3) of the Internal Revenue Code, unless the board specifically authorizes the expenditures after finding that the property will be used exclusively for one or more of the purposes specified in clauses (a) to (c). The board may by rule adopt procedures and standards to administer this subdivision.

Sec. 2. Minnesota Statutes 1988, section 349.12, subdivision 17, is amended to read:

Subd. 17. “Distributor” is a person who sells gambling equipment ~~the distributor manufactures or purchases for resale within the state to licensed organizations, organizations conducting exempt activity under section 349.214, or to other distributors.~~

Sec. 3. Minnesota Statutes 1988, section 349.12, subdivision 20, is amended to read:

Subd. 20. [IDEAL NET.] “Ideal net” means the pull-tab or tip-board deal’s ideal gross, as defined under subdivision 19, less the total predetermined prize amounts available to be paid out. When the prize is not entirely a monetary one, the ideal net is 50 percent of the ideal gross.

Sec. 4. Minnesota Statutes 1988, section 349.12, is amended by adding a subdivision to read:

Subd. 21. [DIVISION.] “Division” is the division of charitable gambling control in the department of gaming.

Sec. 5. Minnesota Statutes 1988, section 349.12, is amended by adding a subdivision to read:

Subd. 22. [DIRECTOR.] "Director" is the director of the division of charitable gambling control.

Sec. 6. Minnesota Statutes 1988, section 349.12, is amended by adding a subdivision to read:

Subd. 23. [COMMISSIONER.] Except as otherwise provided, "commissioner" is the commissioner of revenue.

Sec. 7. Minnesota Statutes 1988, section 349.12, is amended by adding a subdivision to read:

Subd. 24. [NET PROFIT.] "Net profit" means gross profit less reasonable sums actually expended for allowable expenses.

Sec. 8. Minnesota Statutes 1988, section 349.12, is amended by adding a subdivision to read:

Subd. 25. [MANUFACTURER.] "Manufacturer" means a person or entity who assembles from raw materials or subparts a completed piece of gambling equipment, and who sells or furnishes the equipment for resale or for use in the state, and who is not a distributor licensed under this chapter. The term includes a person who converts, modifies, adds to, or removes parts or a portion from an item, device, or assembly to further its promotion, sale, or use as gambling equipment in this state. A person only adding or modifying promotional flares to advise the public of the prizes available, the rules of play, and the consideration required is not a manufacturer.

Sec. 9. Minnesota Statutes 1988, section 349.12, is amended by adding a subdivision to read:

Subd. 26. [PROMOTIONAL TICKET.] "Promotional ticket" is a pull-tab or tipboard ticket with the words "no purchase necessary" and "for promotional use only" and for which no consideration is given.

Sec. 10. Minnesota Statutes 1988, section 349.151, subdivision 1, is amended to read:

Subdivision 1. [BOARD CREATED.] The charitable gambling control board is created within the division of charitable gambling control, with the powers and duties established by subdivision 4.

Sec. 11. Minnesota Statutes 1988, section 349.151, subdivision 2, is amended to read:

Subd. 2. [MEMBERSHIP.] The board consists of ~~43~~ four members appointed as follows:

(1) eleven persons appointed by the governor with the advice and consent of the senate, at least four of whom must reside outside of the seven-county metropolitan area;

(2) the commissioner of public safety or a designee; and

(3) the attorney general or a designee.

A member serving on the board by appointment must have been a resident of Minnesota for at least five years. Of the appointees of the governor not more than six may belong to the same political party. A member appointed to the board may be removed at any time by the appointing authority. Vacancies on the board are filled in the same manner as the original appointment. Of the members appointed by the governor, three are for terms expiring June 30, 1985, four are for terms expiring June 30, 1986, and four are for terms expiring June 30, 1987. After the expiration of the initial terms, appointments are for three years. The governor shall appoint the chair from among the governor's appointees by the governor with the advice and consent of the senate, plus the commissioner of gaming as a voting member. Not more than three of the five members of the board may belong to the same political party. The board shall select one of its members, other than the commissioner, to serve as chair. The terms of all members serving on the board on June 30, 1989, expire on that date. Of the members appointed by the governor to serve terms beginning July 1, 1989, one is for a term expiring June 30, 1992, and two are for terms expiring June 30, 1995. Thereafter all appointments by the governor are for six-year terms.

Sec. 12. Minnesota Statutes 1988, section 349.151, subdivision 4, is amended to read:

Subd. 4. [POWERS AND DUTIES.] The board has the following powers and duties:

(1) to issue, revoke, and suspend licenses to organizations, distributors, and manufacturers under sections 349.16, 349.161, and 349.163;

(2) to collect and deposit license fees and taxes due under this chapter;

(3) to receive reports required by this chapter and inspect the records, books, and other documents of organizations and suppliers to insure compliance with all applicable laws and rules;

(4) (3) to make rules, including emergency rules, required by this chapter;

(5) to register gambling equipment and issue registration stamps under section 349.162;

(6) (5) to provide by rule for the mandatory posting by organizations conducting lawful gambling of rules of play and the odds and/or house percentage on each form of lawful gambling;

(7) (5) to report annually to the governor and legislature on its activities and on recommended changes in the laws governing charitable gambling; and

(8) (6) impose civil penalties of not more than \$500 per violation on organizations, distributors, and manufacturers for failure to comply with any provision of sections 349.12 to 349.23 or any rule of the board;

(7) to notify city councils, county boards, and town boards before issuing or renewing licenses to organizations as specified under section 349.213; and

(8) to revoke and suspend manufacturers' licenses.

Sec. 13. Minnesota Statutes 1988, section 349.151, subdivision 5, is amended to read:

Subd. 5. [EMPLOYEES.] The board shall employ an executive secretary in the unclassified service and such other employees in the classified service as are required to enable it to carry out its functions. ~~One or more of the employees must be bingo inspectors.~~

Sec. 14. [349.151] [COMMISSIONER OF REVENUE.]

The commissioner of revenue has the following powers and duties under sections 349.11 to 349.23:

(1) to collect and deposit taxes as authorized under sections 349.11 to 349.23;

(2) to receive reports required to be submitted to the commissioner and inspect the records, books, and other documents of organizations and suppliers to ensure compliance with those provisions of sections 349.11 to 349.23 relating to taxes imposed by those sections; and

(3) to investigate noncompliance with, or violation of, the provisions of sections 349.11 to 349.23 relating to taxes imposed by those sections.

Sec. 15. [349.152] [DIVISION OF CHARITABLE GAMBLING.]

Subdivision 1. [DIVISION ESTABLISHED.] A division of charitable gambling control is created within the department of gaming. The division is under the supervision of the charitable gambling control board and the director of the division, who have the powers and duties prescribed in this section and section 349.151.

Subd. 2. [DIRECTOR OF CHARITABLE GAMBLING CONTROL.] The commissioner of gaming shall appoint a director of charitable gambling control, to serve at the commissioner's pleasure in the unclassified service. The director must be qualified, by experience in gaming law and gaming enforcement and administration, to perform the duties of the director.

Subd. 3. [DUTIES OF THE DIRECTOR.] The director has the following duties:

(1) to carry out charitable gambling policy established by the board;

(2) to make recommendations to the board on license issuance, denial, suspension and revocation, and civil penalties the board imposes;

(3) to advise the board on rules the board adopts;

(4) to ensure that board rules, policy, and decisions are adequately, accurately, and continually conveyed to the board's licensees; and

(5) to take and preserve records of all proceedings before the board, maintain its books, documents, and records, and make them available for public inspection on written request, within a reasonable time, and as the board directs.

Sec. 16. Minnesota Statutes 1988, section 349.16, subdivision 3, is amended to read:

Subd. 3. [FEES.] The board shall by rule establish a schedule of fees for licenses under this section. The schedule must establish may issue four classes of licenses, license: a class A license authorizing all forms of lawful gambling; ; a class B license authorizing all forms of lawful gambling except bingo; raffles ; a class C license authorizing bingo only; ; and bingo a class D license authorizing raffles only. The annual license fee for each class of license is:

(1) \$150 for a class A license;

(2) \$75 for a class B license;

(3) \$75 for a class C license; and

(4) \$50 for a class D license.

Sec. 17. Minnesota Statutes 1988, section 349.16, subdivision 4, is amended to read:

Subd. 4. [LOCAL INVESTIGATION FEE.] A statutory or home rule charter city or county notified under section 349.213, subdivision 2, may assess an investigation fee on organizations applying for or renewing a license to conduct lawful gambling. An investigation fee may not exceed the following limits:

- (1) for cities of the first class, \$500;
- (2) for cities of the second class, \$250; ~~and~~
- (3) for all other cities ~~and counties~~, \$100; and
- (4) for counties, \$250.

Sec. 18. Minnesota Statutes 1988, section 349.161, subdivision 4, is amended to read:

Subd. 4. [FEES.] The annual fee for a ~~supplier's~~ distributor's license is ~~\$1,500~~ \$2,500.

Sec. 19. Minnesota Statutes 1988, section 349.162, subdivision 1, is amended to read:

Subdivision 1. [STAMP REQUIRED.] A distributor may not sell to ~~an organization and an organization may not purchase, transfer, furnish, or otherwise provide to a person, organization, or distributor, and no person, organization, or distributor, may purchase, borrow, accept, or acquire from a distributor gambling equipment unless the equipment has been registered with the board division of inspection and enforcement and has a registration stamp affixed. The board shall charge a fee of five cents for each stamp. Each stamp must bear a registration number assigned by the board. A distributor is entitled to a refund for unused stamps and replacement for stamps which are defective or canceled by the distributor.~~

Sec. 20. Minnesota Statutes 1988, section 349.162, subdivision 2, is amended to read:

Subd. 2. [RECORDS REQUIRED.] A distributor must maintain a record of all gambling equipment which it sells to organizations. The record must include:

- (1) the identity of the person or firm from whom the equipment was purchased;

- (2) the registration number of the equipment;
- (3) the name and address of the organization to which the sale was made; and
- (4) the date of the sale;
- (5) the name of the person who ordered the equipment; and
- (6) the name of the person who received the equipment.

The invoice for each sale must be retained for at least one year after the sale is completed and a copy of the invoice is delivered to the board director of inspection and enforcement. For purposes of this section, a sale is completed when the gambling equipment is physically delivered to the purchaser.

Each distributor must report monthly to the board director of inspection and enforcement, in a form the board director prescribes, its sales of each type of gambling equipment. Employees of the board may inspect the books, records, and other documents of a distributor at any reasonable time without notice and without a search warrant.

Sec. 21. Minnesota Statutes 1988, section 349.162, subdivision 4, is amended to read:

Subd. 4. [PROHIBITION.] (a) No person other than a licensed organization or a licensed distributor may possess unaffixed registration stamps issued by the board director of inspection and enforcement.

(b) Unless otherwise provided in this chapter, no person may possess gambling equipment that has not been registered with the director of inspection and enforcement.

Sec. 22. Minnesota Statutes 1988, section 349.162, subdivision 5, is amended to read:

Subd. 5. [SALES FROM AND STORAGE FACILITIES.] All gambling equipment purchased or possessed by a licensed distributor for resale in Minnesota must, prior to its the equipment's resale, be unloaded into a sales or storage facility located in Minnesota which the distributor owns or leases, and which has been registered, in advance and in writing, with the director of inspection and enforcement as a sales or storage facility of the distributor. All unregistered gambling equipment and all unaffixed registration stamps owned by, or in the possession of, a licensed distributor in the state of Minnesota shall be stored at a sales or storage facility which has been registered with the director of inspection and

enforcement. No gambling equipment may be moved from the facility without having been first registered with the director of inspection and enforcement.

All sales and storage facilities owned, leased, used, or operated by a licensed distributor may be entered upon and inspected by the board, the director of inspection and enforcement, or their authorized representatives during reasonable and regular business hours. Obstruction of, or failure to permit, such entry and inspection is cause for revocation or suspension of a distributor's licenses and permits issued under this chapter.

Unregistered gambling equipment and unaffixed registration stamps found at any location in Minnesota other than a registered sales or storage facility are contraband under section 349.2125.

Sec. 23. Minnesota Statutes 1988, section 349.163, is amended to read:

349.163 [REGISTRATION LICENSING OF MANUFACTURERS.]

Subdivision 1. [REGISTRATION.] No manufacturer of gambling equipment may sell any gambling equipment to any person unless the manufacturer has registered with been licensed as a manufacturer by the board and has been issued a certificate of registration under objective criteria prescribed by the board by rule.

Subd. 2. [CERTIFICATE; FEE.] A certificate license under this section is valid for one year. The annual fee for registration a license is \$500 \$2,500.

Subd. 3. [PROHIBITED SALES.] A manufacturer may not sell gambling equipment to any a person not licensed as a distributor unless the manufacturer is also a licensed distributor.

Subd. 4. [INSPECTION OF LICENSED MANUFACTURER.] The director of inspection and enforcement or the board may inspect the books, records, inventory, and manufacturing operations of a licensed manufacturer without notice during the normal business hours of the manufacturer.

Sec. 24. Minnesota Statutes 1988, section 349.18, subdivision 1, is amended to read:

Subdivision 1. [LEASE OR OWNERSHIP REQUIRED.] An organization may conduct lawful gambling only on premises it owns or leases. Leases must be for a period of at least one year and must be in writing. Copies of all leases must be made available to employees of the board division of charitable gambling control or division of

inspection and enforcement on request. A lease may not provide for rental payments based on a percentage of determined directly or indirectly by the receipts or profits from lawful gambling. The board may prescribe by rule limits on the amount of rent which an organization may pay to a lessor for premises leased for lawful gambling.

No person, distributor, manufacturer, lessor, or organization other than the licensed organization leasing the space may conduct any activity in a leased space during times when lawful gambling is being conducted in the space.

Sec. 25. Minnesota Statutes 1988, section 349.19, subdivision 5, is amended to read:

Subd. 5. [REPORTS.] A licensed organization must report to the board, the division of inspection and enforcement and to its membership monthly, or quarterly in the case of a licensed organization which does not report more than \$1,000 in gross receipts from lawful gambling in any calendar quarter, on its gross receipts, expenses, profits, and expenditure of profits from lawful gambling. If the organization conducts both bingo and other forms more than one form of lawful gambling, the figures for both must be reported separately. In addition, a licensed organization must report to the board and the division of inspection and enforcement monthly on its purchases of gambling equipment and must include the type, quantity, and dollar amount from each supplier separately. The reports must be on a form the board prescribes.

Sec. 26. Minnesota Statutes 1988, section 349.19, subdivision 6, is amended to read:

Subd. 6. [PRESERVATION OF RECORDS.] The board may require that records required to be kept by this section must be preserved by a licensed organization for at least ~~two~~ three and one-half years and may be inspected by employees of the board division at any reasonable time without notice or a search warrant. This subdivision does not limit the powers of the director of inspection and enforcement under chapter 349C.

Sec. 27. Minnesota Statutes 1988, section 349.212, is amended to read:

349.212 [TAX IMPOSED.]

Subdivision 1. [RATE.] (a) There is hereby imposed a tax on all lawful gambling, other than (1) pull-tabs purchased and placed into inventory after January 1, 1987, and (2) tipboards purchased and placed into inventory after June 30, 1988, conducted by organizations licensed by the board at the rate specified in this subdivision.

The tax imposed by this subdivision is in lieu of the tax imposed by section 297A.02 and all local taxes and license fees except the tax authorized by subdivision 5 and a fee authorized under section 349.16, subdivision 4. The tax is payable as provided in subdivision 2.

On all lawful gambling, other than (1) pull-tabs purchased and placed into inventory after January 1, 1987, and (2) tipboards purchased and placed into inventory after June 30, 1988, the tax is ten percent of the gross receipts of a licensed organization from lawful gambling less prizes actually paid out, payable by the organization.

(b) There is imposed a tax on the sale of each deal of pull-tabs and tipboards sold by a licensed distributor to a licensed or exempt organization, or to an organization holding an exemption identification number. The rate of the tax is ten percent of the ideal net of the pull-tab and tipboard deal. The tax is payable as provided in section 349.2121, subdivision 4. The sales tax imposed by chapter 297A on the sale of the pull-tabs and tipboards by the licensed distributor to an organization is imposed on the retail sales price less the tax imposed by this paragraph. The retail sale of pull-tabs or tipboards by the organization is exempt from taxes imposed by chapter 297A if the tax imposed by this paragraph has been paid and is exempt from all local taxes and license fees except taxes and fees authorized under subdivision 5 and section 349.16, subdivision 4. The liability for the tax is incurred when the pull-tabs and tipboards are delivered by the distributor to the licensed or exempt organization, to a common or contract carrier for delivery to the organization, or when received by the organization's authorized representative at the distributor's place of business, regardless of the distributor's method of accounting or the terms of sale. The exemptions in section 349.214, subdivision 2, paragraph (b), do not apply to the tax imposed in this paragraph.

The tax imposed by this paragraph is imposed on all sales of pull-tabs and tipboards, except the following are exempt:

(1) sales to the governing body of an Indian tribal organization for use on an Indian reservation;

(2) sales to distributors licensed under this chapter;

(3) sales to distributors licensed under the laws of another state or of a province of Canada, as long as all statutory and regulatory requirements are met in the other state or province; and

(4) sales of promotional tickets as defined in section 349.12.

Subd. 2. [COLLECTION; DISPOSITION.] The tax must be paid to

the board at times and in a manner the board prescribes by rule. The proceeds, along with the revenue received from all license fees and other fees under sections 349.11 to 349.21 and 349.211, 349.212, and 349.213, must be paid to the state treasurer for deposit in the general fund. The tax imposed in subdivision 1, paragraph (a), is due and payable to the commissioner of revenue monthly on or before the 20th of the month after the reporting period in which the taxable event occurred. The tax must be reported on a form prescribed by the commissioner. The proceeds from the taxes must be deposited in the general fund.

Subd. 4. [PULL TAB AND TIPBOARD TAX.] (a) There is imposed a tax on the sale of each deal of pull tabs and tipboards sold by a licensed distributor to a licensed organization, or to an organization holding an exemption identification number. The rate of the tax is ten percent of the ideal net of the pull tab and tipboard deal. The tax is payable to the commissioner of revenue in the manner prescribed in section 349.2121 and the rules of the commissioner. The commissioner shall pay the proceeds of the tax to the state treasurer for deposit in the general fund. The sales tax imposed by chapter 297A on the sale of the pull tabs and tipboards by the licensed distributor to an organization is imposed on the retail sales price less the tax imposed by this subdivision. The retail sale of pull tabs or tipboards by the organization is exempt from taxes imposed by chapter 297A if the tax imposed by this subdivision has been paid and is exempt from all local taxes and license fees except a fee authorized under section 349.16, subdivision 4.

(b) The liability for the tax imposed by this section is incurred when the pull tabs and tipboards are delivered by the distributor to the licensed or exempt organization, to a common or contract carrier for delivery to the organization, or when received by the organization's authorized representative at the distributor's place of business, regardless of the distributor's method of accounting or the terms of the sale.

(c) The exemptions contained in section 349.214, subdivision 2, paragraph (b), do not apply to the tax imposed in this subdivision.

Subd. 4a. [DUE DATE FOR FILING OF RETURNS.] The gambling tax returns required to be made under subdivisions 1 and 3 must be filed on or before the 20th of each month following the close of the preceding reporting period.

Subd. 5. [LOCAL GAMBLING TAX.] A statutory or home rule charter city which has one or more licensed organizations operating lawful gambling, and a county which has one or more licensed organizations outside incorporated areas operating lawful gambling, may impose a local gambling tax on each licensed organization within the city's or county's jurisdiction. The tax may be imposed only if the amount to be received by the city or county is necessary

to cover the costs incurred by the city or county to regulate lawful gambling. The tax imposed by this subdivision may not exceed three percent of the gross receipts profits of a licensed organization from all lawful gambling less prizes actually paid out by the organization. A city or county may not use money collected under this subdivision for any purpose other than for the purpose of regulating lawful gambling. A tax imposed under this subdivision is in lieu of all other local taxes and local investigation fees on lawful gambling. Any city or county that imposes a tax under this subdivision shall annually by March 15 file a report with the board in a form prescribed by the board showing (1) the amount of revenue produced by the tax during the preceding calendar year, and (2) the use of the proceeds of the tax.

Sec. 28. Minnesota Statutes 1988, section 349.2121, subdivision 2, is amended to read:

Subd. 2. [RECORDS.] A distributor shall keep at each licensed place of business complete and accurate records for that place of business, including itemized invoices of pull-tabs and tipboards held, purchased, manufactured, or brought in or caused to be brought in from without this state, and of all sales of pull-tabs and tipboards. The records must show the names and addresses of purchasers, the inventory at the close of each period for which a return is required of all pull-tab and tipboard deals on hand, and other pertinent papers and documents relating to the purchase, sale, or disposition of pull-tab and tipboard deals. Books, records, and other papers and documents required by this section must be kept for a period of at least 3½ years after the date of the documents, or the date of the entries appearing in the records, unless the commissioner authorizes in writing their destruction or disposal at an earlier date. At any time during usual business hours, the commissioner, ~~executive secretary of the charitable gambling control board,~~ or any of ~~their~~ the commissioner's duly authorized agents or employees, may enter a place of business of a distributor, ~~charitable organization, or any site from which pull-tabs or tipboards are gambling equipment is being sold, or any site where lawful gambling is being conducted,~~ and inspect the premises and the records required to be kept under this section to determine whether or not all the provisions of ~~this section~~ sections 349.212 to 349.2124 are being fully complied with. If the commissioner, ~~executive secretary,~~ or ~~their~~ the commissioner's duly authorized agents or employees are denied free access to or are hindered or interfered with in making an inspection of the distributor's place of business, the permit of the distributor may be revoked by the commissioner, and the license of the distributor may be revoked by the charitable gambling control board.

Sec. 29. Minnesota Statutes 1988, section 349.2121, subdivision 3, is amended to read:

Subd. 3. [SUSPENSION, REVOCATION.] The commissioner, after giving notice and hearing, may for reasonable cause revoke or suspend a permit held by a distributor. A notice must be sent to the distributor at least 30 15 days before the hearing and give notice of the time and place of the hearing, proposed suspension or revocation is to take effect. The notice must give the reason for the proposed suspension or revocation, and must require the distributor to show cause why the proposed action should not be taken. The notice may be served personally or by mail in the manner prescribed for service of notice of a deficiency.

The notice must inform the distributor of the right to a contested case hearing. If a request in writing is made to the commissioner within 14 days of the date of the notice, the commissioner shall defer action on the suspension or revocation and shall refer the case to the office of administrative hearings for the scheduling of a contested case hearing. The distributor must be served with 20 days' notice in writing specifying the time and place of the hearing and the allegations against the distributor.

The commissioner shall issue a final order following receipt of the recommendation of the administrative law judge.

Under section 271.06, subdivision 1, an appeal to the tax court may be taken from the commissioner's order of revocation or suspension. The commissioner may not issue a new permit after revocation except upon application accompanied by reasonable evidence of the intention of the applicant to comply with all applicable laws and rules.

Sec. 30. Minnesota Statutes 1988, section 349.2121, subdivision 4, is amended to read:

Subd. 4. [COLLECTION.] The tax imposed by section 349.212, subdivision 4 1, paragraph (b), for each taxable sale is due and payable to the commissioner monthly on or before the 25th day of the month succeeding the month in which the taxable sale was made. The tax must be reported on a form prescribed by the commissioner.

Sec. 31. Minnesota Statutes 1988, section 349.2121, subdivision 4a, is amended to read:

Subd. 4a. [REFUND.] If any deal of pull-tabs or tipboards registered with the board division of inspection and enforcement and upon which the tax imposed by section 349.212, subdivision 4 1, paragraph (b), has been paid is returned unplayed to the distributor, the commissioner of revenue shall allow a refund of the tax paid.

In the case of a defective deal registered with the board and upon which the taxes have been paid is returned to the manufacturer, the

distributor shall submit to the commissioner of revenue certification from the manufacturer that the deal was returned and in what respect it was defective. The certification must be in a form prescribed by the commissioner and must contain additional information the commissioner requires.

The commissioner may require that no refund under this subdivision be made unless the returned pull-tabs or tipboards have been set aside for inspection by the commissioner's employee.

Reductions in previously paid taxes authorized by this subdivision shall be made at the time and in the manner prescribed by the commissioner.

Sec. 32. Minnesota Statutes 1988, section 349.2121, subdivision 6, is amended to read:

Subd. 6. [COLLECTIONS; CIVIL PENALTIES.] (1) The provisions of chapter 297A relating to the commissioner's authority to audit, assess, and collect the tax imposed by that chapter apply to the tax, penalties and interest imposed by section 349.212, subdivision 4 1, paragraph (b). The commissioner shall impose civil penalties for violation of this section as provided in section 297A.39, and the additional tax and penalties are subject to interest at the rate provided in section 270.75.

(2) If any part of any additional assessment is due to negligence or intentional disregard of the provisions of this chapter or rules of the commissioner of revenue (but without intent to defraud), there shall be added to the tax an amount equal to ten percent of the additional assessment. The amount of the tax together with this amount shall bear interest at the rate stated in section 270.75 from the time the tax should have been paid until paid.

Sec. 33. Minnesota Statutes 1988, section 349.2121, subdivision 7, is amended to read:

Subd. 7. [RULES.] The commissioner may adopt rules, including emergency rules, for the administration and enforcement of this section and section 349.212, subdivision 4.

Sec. 34. Minnesota Statutes 1988, section 349.2121, subdivision 8, is amended to read:

Subd. 8. [PERSONAL DEBT.] The tax imposed by section 349.212, subdivision 1, paragraph (b), and interest and penalties imposed with respect to it, shall be a personal debt of the person required to file a return from the time the liability for it arises, irrespective of when the time for payment of the liability occurs. The debt shall, in the case of the executor or administrator of the estate of a decedent

and in the case of any fiduciary, be that of the person in the person's official or fiduciary capacity only unless the person has voluntarily distributed the assets held in that capacity without reserving sufficient assets to pay the tax, interest, and penalties, in which event the person shall be personally liable for any deficiency.

Sec. 35. Minnesota Statutes 1988, section 349.2121, subdivision 10, is amended to read:

Subd. 10. [UNTAXED PULL-TABS OR TIPBOARDS GAMBLING EQUIPMENT.] It is a gross misdemeanor for any person to possess pull-tabs or tipboards gambling equipment for resale in this state that ~~have~~ has not been registered with the board division of inspection and enforcement, for which a registration stamp has not been affixed to the flare, and upon which the taxes imposed by section 349.212, subdivision 4 1, paragraph (b), or chapter 297A have not been paid. The executive secretary of the charitable gambling control board director of inspection and enforcement or the commissioner of revenue or their designated inspectors and employees may seize in the name of the state of Minnesota any unregistered or untaxed pull-tabs or tipboards gambling equipment.

Sec. 36. Minnesota Statutes 1988, section 349.2122, is amended to read:

349.2122 [MANUFACTURERS; REPORTS TO THE COMMISSIONER; PENALTY.]

A manufacturer ~~registered with~~ licensed by the board who sells pull-tabs and tipboards to a distributor licensed by the board must file with the commissioner of revenue, on a form prescribed by the commissioner, a report of pull-tabs and tipboards sold to licensed distributors. The report must be filed monthly on or before the 25th day of the month succeeding the month in which the sale was made. Any person violating this section shall be guilty of a misdemeanor.

Sec. 37. Minnesota Statutes 1988, section 349.2125, subdivision 1, is amended to read:

Subdivision 1. [CONTRABAND DEFINED.] The following are contraband:

(1) all pull-tab or tipboard deals that do not have stamps affixed to them as provided in section 349.162;

(2) all pull-tab or tipboard deals in the possession of any unlicensed person, firm, or organization, whether stamped or unstamped;

(3) any container used for the storage and display of any contraband pull-tab or tipboard deals as defined in clauses (1) and (2);

(4) all currency, checks, and other things of value used for pull-tab or tipboard transactions not expressly permitted under this chapter, and any cash drawer, cash register, or any other container used for illegal pull-tab or tipboard transactions including its contents; and

(5) any device including, but not limited to, motor vehicles, trailers, snowmobiles, airplanes, and boats used, with the knowledge of the owner or of a person operating with the consent of the owner, for the storage or transportation of more than five pull-tab or tipboard deals that are contraband under this subdivision. When pull-tabs and tipboards are being transported in the course of interstate commerce, or from one distributor to another, the pull-tab and tipboard deals are not contraband, notwithstanding the provisions of clause (1);

(6) any unaffixed registration stamps except as provided in section 349.162, subdivision 4;

(7) any prize used or offered in a game utilizing contraband as defined in this subdivision;

(8) any altered, modified, or counterfeit pull-tab or tipboard ticket;

(9) any unregistered gambling equipment except as permitted by this chapter; and

(10) any gambling equipment kept in violation of section 349.18.

Sec. 38. Minnesota Statutes 1988, section 349.2125, subdivision 2, is amended to read:

Subd. 2. [SEIZURE.] Pull-tabs or tipboards or other Property made contraband by subdivision 1 may be seized by the commissioner of revenue or the executive secretary of the charitable gambling control board director of inspection and enforcement or their authorized agents or by any sheriff or other police officer, hereinafter referred to as the seizing authority, with or without process, and shall be subject to forfeiture as provided in subdivisions 3 and 4.

Sec. 39. Minnesota Statutes 1988, section 349.2125, subdivision 3, is amended to read:

Subd. 3. [INVENTORY; JUDICIAL DETERMINATION; APPEAL; DISPOSITION OF SEIZED PROPERTY.] Within two days after the seizure of any alleged contraband, the person making the seizure shall deliver an inventory of the property seized to the

person from whom the property was seized, if known, and file a copy with the commissioner or the executive secretary of the charitable gambling control board director of inspection and enforcement. Within ten days after the date of service of the inventory, the person from whom the property was seized or any person claiming an interest in the property may file with the seizing authority a demand for judicial determination of whether the property was lawfully subject to seizure and forfeiture. Within 30 days after the date of filing of the demand, the seizing authority must bring an action in the district court of the county where seizure was made to determine the issue of forfeiture. The action must be brought in the name of the state and be prosecuted by the county attorney or by the attorney general. The court shall hear the action without a jury and determine the issues of fact and laws involved. When a judgment of forfeiture is entered, the seizing authority may, unless the judgment is stayed pending an appeal, either (1) cause the forfeited property to be destroyed; or (2) cause it to be sold at a public auction, as provided by law.

If demand for judicial determination is made and no action is commenced as provided in this subdivision, the property must be released by the seizing authority and delivered to the person entitled to it. If no demand is made, the property seized is considered forfeited to the state by operation of law and may be disposed of by the seizing authority as provided where there has been a judgment of forfeiture. When the seizing authority is satisfied that a person from whom property is seized was acting in good faith and without intent to evade the tax imposed by section 349.2121, subdivision 4 349.212, subdivision 1, paragraph (b), the seizing authority shall release the property seized without further legal proceedings.

Sec. 40. Minnesota Statutes 1988, section 349.2127, subdivision 2, is amended to read:

Subd. 2. [PROHIBITION AGAINST POSSESSION.] (a) No person, other than a licensed distributor, shall sell, offer for sale, or have in possession with intent to sell or offer for sale, a pull-tab or tipboard deal not stamped in accordance with the provisions of this chapter.

(b) No person other than a licensed distributor or licensed or exempt organization under section 349.214 may possess gambling equipment, except (1) equipment exempt from taxation under section 349.212, paragraph (b), or (2) equipment put into play by a licensed or exempt organization.

(c) No person, firm, or organization may possess altered, modified, or counterfeit pull-tabs or tipboard tickets with intent to sell, redeem, or exchange them.

Sec. 41. Minnesota Statutes 1988, section 349.214, subdivision 2, is amended to read:

Subd. 2. [LAWFUL GAMBLING.] (a) Raffles may be conducted by an organization as defined in section 349.12, subdivision 12, without complying with sections 349.11 to 349.14 and 349.151 to 349.213 if the value of all raffle prizes awarded by the organization in a calendar year does not exceed \$750.

(b) Lawful gambling may be conducted by an organization as defined in section 349.12, subdivision 12, without complying with sections 349.11 to 349.14 and 349.151 to 349.212 if:

(1) the organization conducts lawful gambling on five or fewer days in a calendar year;

(2) the organization does not award more than \$50,000 in prizes for lawful gambling in a calendar year;

(3) the organization notifies the board in writing not less than 30 days before each lawful gambling occasion of the date and location of the occasion, the types of lawful gambling to be conducted, the prizes to be awarded, and receives an exemption identification number;

(4) the organization notifies the local government unit 30 days before the lawful gambling occasion;

(5) the organization purchases all gambling equipment and supplies from a licensed distributor; and

(6) the organization reports to the board, on a single page form prescribed by the board, within 30 days of each gambling occasion, the gross receipts, prizes, expenses, expenditures of net profits from the occasion, and the identification of the licensed distributor from whom all gambling equipment was purchased.

(c) If the organization fails to file a timely report as required by paragraph (b), clause (3) or (6), a \$250 penalty is imposed on the organization. Failure to file a timely report does not disqualify the organization as exempt under this paragraph if a report is subsequently filed and the penalty paid.

(d) Merchandise prizes must be valued at their fair market value.

(e) Notwithstanding paragraph (b), an organization which conducts bingo under this subdivision must comply with section 349.211, subdivisions 1 and 2.

(f) Unused pull-tab and tipboard deals must be returned to the distributor within seven days after the end of the lawful gambling occasion. The distributor must accept and pay a refund for all returns of unopened and undamaged deals returned under this paragraph.

Sec. 42. [349.215] [EXAMINATIONS.]

Subdivision 1. [EXAMINATION OF TAXPAYER.] To determine the accuracy of a return or report, or in fixing liability under this chapter, the commissioner may make reasonable examinations or investigations of a taxpayer's place of business, tangible personal property, equipment, computer systems and facilities, pertinent books, records, papers, vouchers, computer printouts, accounts, and documents.

Subd. 2. [ACCESS TO RECORDS OF OTHER PERSONS IN CONNECTION WITH EXAMINATION OF TAXPAYER.] When conducting an investigation or an audit of a taxpayer, the commissioner may examine, except where privileged by law, the relevant records and files of a person, business, institution, financial institution, state agency, agency of the United States government, or agency of another state where permitted by statute, agreement, or reciprocity. The commissioner may compel production of these records by subpoena. A subpoena may be served directly by the commissioner.

Subd. 3. [POWER TO COMPEL TESTIMONY.] In the administration of this chapter, the commissioner may:

(1) administer oaths or affirmations and compel by subpoena the attendance of witnesses, testimony, and the production of a person's pertinent books, records, papers, or other data.

(2) examine under oath or affirmation any person regarding the business of a taxpayer concerning a matter relevant to the administration of this chapter. The fees of witnesses required by the commissioner to attend a hearing are equal to those allowed to witnesses appearing before courts of this state. The fees must be paid in the manner provided for the payment of other expenses incident to the administration of state tax law; and

(3) in addition to other remedies available, bring an action in equity by the state against a taxpayer for an injunction ordering the taxpayer to file a complete and proper return or amended return. The district courts of this state shall have jurisdiction over the action, and disobedience of an injunction issued under this clause may be punished as a contempt of district court.

Subd. 4. [THIRD PARTY SUBPOENA WHERE TAXPAYER'S IDENTITY IS KNOWN.] An investigation may extend to any person that the commissioner determines has access to information that may be relevant to the examination or investigation. When a subpoena requiring the production of records under subdivision 2 is served on a third-party record keeper, written notice of the subpoena must be mailed to the taxpayer and to any other person who is identified in the subpoena. The notices must be given within three

days of the day on which the subpoena is served. Notice to the taxpayer required by this section is sufficient if it is mailed to the last address on record with the commissioner.

Subd. 5. [THIRD PARTY SUBPOENA WHERE TAXPAYER'S IDENTITY IS NOT KNOWN.] A subpoena that does not identify the person or persons whose tax liability is being investigated may be served only if:

(1) the subpoena relates to the investigation of a particular person or ascertainable group or class of persons;

(2) there is a reasonable basis for believing that the person or group or class of persons may fail or may have failed to comply with tax laws administered by the commissioner;

(3) the subpoena is clear and specific concerning information sought to be obtained; and

(4) the information sought to be obtained is limited solely to the scope of the investigation.

A party served with a subpoena that does not identify the person or persons with respect to whose tax liability the subpoena is issued may, within three days after service of the subpoena, petition the district court in the judicial district in which that party is located for a determination whether the commissioner has complied with all the requirements in clauses (1) to (4), and thus, whether the subpoena is enforceable. If no petition is made by the party served within the time prescribed, the subpoena has the effect of a court order.

Subd. 6. [REQUEST BY TAXPAYER FOR SUBPOENA.] When the commissioner has the power to issue a subpoena for investigative or auditing purposes, then the commissioner shall honor a reasonable request by the taxpayer to issue a subpoena on the taxpayer's behalf, if in connection with the investigation or audit.

Subd. 7. [APPLICATION TO COURT FOR ENFORCEMENT OF SUBPOENA.] The commissioner or the taxpayer may apply to the district court of the county of the taxpayer's residence, place of business, or county where the subpoena can be served as with any other case at law, for any order compelling the appearance of the subpoenaed witness or the production of the subpoenaed records. Failure to comply with the order of the court for the appearance of a witness or the production of records may be punished by the court as for contempt.

Subd. 8. [COST OF PRODUCTION OF RECORDS.] The reasonable costs of producing records of a third party required by a

subpoena must be paid by the taxpayer, if the taxpayer requests the subpoena to be issued, or if the taxpayer has the records available but has refused to provide them to the commissioner. In other cases where the taxpayer is unable to produce records and the commissioner then initiates a subpoena for third-party records, the commissioner shall pay the reasonable cost of producing the records. The commissioner may later assess the reasonable costs against the taxpayer if the records contribute to the determination of an assessment of tax against the taxpayer.

Sec. 43. [349.2151] [ASSESSMENTS.]

Subdivision 1. [GENERALLY.] The commissioner shall make determinations, corrections, and assessments with respect to taxes (including interest, additions to taxes, and assessable penalties) imposed under this chapter.

Subd. 2. [ORDER OF ASSESSMENT; NOTICE AND DEMAND TO TAXPAYER.] (a) When a return has been filed and the commissioner determines that the tax disclosed by the return is different than the tax determined by the examination, the commissioner shall send an order of assessment to the taxpayer. The order must explain the basis for the assessment and must explain the taxpayer's appeal rights. An assessment by the commissioner must be made by recording the liability of the taxpayer in the office of the commissioner, which may be done by keeping a copy of the order of assessment sent to the taxpayer. An order of assessment is final when made but may be reconsidered by the commissioner under section 349.218.

(b) The amount of unpaid tax shown on the order must be paid to the commissioner: (1) within 60 days after notice of the amount and demand for its payment have been mailed to the taxpayer by the commissioner; or (2) if an administrative appeal is filed under section 349.218 within 60 days following the determination or compromise of the appeal.

Sec. 44. [349.216] [CIVIL PENALTIES.]

Subdivision 1. [PENALTY FOR FAILURE TO PAY TAX.] If a tax is not paid within the time specified for payment, a penalty is added to the amount required to be shown as tax. The penalty is three percent of the unpaid tax if the failure is for not more than 30 days, with an additional penalty of three percent of the amount of tax remaining unpaid during each additional 30 days or fraction of 30 days during which the failure continues, not exceeding 24 percent in the aggregate.

If the taxpayer has not filed a return, for purposes of this subdivision the time specified for payment is the final date a return should have been filed.

Subd. 2. [PENALTY FOR FAILURE TO MAKE AND FILE RETURN.] If a taxpayer fails to make and file a return within the time prescribed or an extension, a penalty is added to the tax. The penalty is three percent of the amount of tax not paid on or before the date prescribed for payment of the tax if the failure is for not more than 30 days, with an additional five percent of the amount of tax remaining unpaid during each additional 30 days or fraction of 30 days, during which the failure continues, not exceeding 23 percent in the aggregate.

If a taxpayer fails to file a return within 60 days of the date prescribed for filing of the return (determined with regard to any extension of time for filing), the addition to tax under this subdivision must be at least the lesser of: (1) \$200; or (2) the greater of (a) 25 percent of the amount required to be shown as tax on the return without reduction for any payments made or refundable credits allowable against the tax, or (b) \$50.

Subd. 3. [COMBINED PENALTIES.] When penalties are imposed under subdivisions 1 and 2, except for the minimum penalty under subdivision 2, the penalties imposed under both subdivisions combined must not exceed 38 percent.

Subd. 4. [PENALTY FOR INTENTIONAL DISREGARD OF LAW OR RULES.] If part of an additional assessment is due to intentional disregard of the provisions of the applicable chapters of rules of the commissioner (but without intent to defraud), there is added to the tax an amount equal to ten percent of the additional assessment.

Subd. 5. [PENALTY FOR FALSE OR FRAUDULENT RETURN; EVASION.] If a person files a false or fraudulent return, or attempts in any manner to evade or defeat a tax or payment of tax, there is imposed on the person a penalty of not more than 50 percent of the tax found due for the period to which the return related, less amounts paid by the person on the basis of the false or fraudulent return.

Subd. 6. [PENALTY FOR SALES AFTER REVOCATION, SUSPENSION, OR EXPIRATION.] A distributor who engages in, or whose representative engages in, the offering for sale, sale, transport, delivery, or furnishing of gambling equipment to a person, firm, or organization, after the distributor's license or permit has been revoked or suspended, or has expired, and until such license or permit has been reinstated or renewed, is liable for a penalty of \$1,000 for each day the distributor continues to engage in the activity. This subdivision does not apply to the transport of gambling equipment for the purpose of returning the equipment to a licensed manufacturer.

Subd. 7. [PAYMENT OF PENALTIES.] The penalties imposed by this section must be collected and paid in the same manner as taxes.

Subd. 8. [PENALTIES ARE ADDITIONAL.] The civil penalties imposed by this section are in addition to the criminal penalties imposed by this chapter.

Subd. 9. [ORDER PAYMENTS CREDITED.] All payments received may be credited first to the oldest liability not secured by a judgment or lien in the discretion of the commissioner of revenue, but in all cases must be credited first to penalties, next to interest, and then to the tax due.

Sec. 45. [349.2161] [TAX-RELATED CRIMINAL PENALTIES.]

Subdivision 1. [PENALTY FOR FAILURE TO FILE OR PAY.] (a) A person required to file a return, report, or other document with the commissioner, who knowingly fails to file it when required, is guilty of a gross misdemeanor. A person required to file a return, report, or other document who willfully attempts to evade or defeat a tax by failing to file it when required is guilty of a felony.

(b) A person required to pay or to collect and remit a tax, who knowingly fails to do so when required, is guilty of a gross misdemeanor. A person required to pay or to collect and remit a tax, who willfully attempts to evade or defeat a tax law by failing to do so when required is guilty of a felony.

Subd. 2. [FALSE OR FRAUDULENT RETURNS; PENALTIES.] (a) A person required to file a return, report, or other document with the commissioner, who delivers to the commissioner a return, report, or other document known by the person to be fraudulent or false concerning a material matter, is guilty of a felony.

(b) A person who knowingly aids or assists in, or advises in the preparation or presentation of a return, report, or other document that is fraudulent or false concerning a material matter, whether or not the falsity or fraud committed is with the knowledge or consent of the person authorized or required to present the return, report, or other document, is guilty of a felony.

Subd. 3. [SALES WITHOUT PERMIT; VIOLATIONS.] (a) A person who engages in the business of selling pull-tabs or tipboards in Minnesota without the licenses or permits required under this chapter, or an officer of a corporation who so engages in the sales, is guilty of a gross misdemeanor.

(b) A person selling gambling equipment in Minnesota after revocation, suspension, or expiration of a license or permit under this chapter, when the commissioner or the board has not issued a new license or permit, or before the suspension period has ended, is guilty of a felony.

Subd. 4. [CRIMINAL PENALTIES.] Criminal penalties imposed by this section are in addition to civil penalties imposed by this chapter.

Sec. 46. [349.217] [INTEREST.]

Subdivision 1. [INTEREST RATE.] When an interest assessment is required under this section, interest is computed at the rate specified in section 270.75.

Subd. 2. [LATE PAYMENT.] If a tax is not paid within the time specified by law for payment, the unpaid tax bears interest from the date the tax should have been paid until the date the tax is paid.

Subd. 3. [EXTENSIONS.] If an extension of time for payment has been granted, interest must be paid from the date the payment should have been made if no extension had been granted, until the date the tax is paid.

Subd. 4. [ADDITIONAL ASSESSMENTS.] If a taxpayer is liable for additional taxes because of a redetermination by the commissioner, or for any other reason, the additional taxes bear interest from the time the tax should have been paid, without regard to any extension allowed, until the date the tax is paid.

Subd. 5. [ERRONEOUS REFUNDS.] In the case of an erroneous refund, interest accrues from the date the refund was paid unless the erroneous refund results from a mistake of the department, then no interest or penalty is imposed unless the deficiency assessment is not satisfied within 60 days of the order.

Subd. 6. [INTEREST ON JUDGMENTS.] Notwithstanding section 549.09, if judgment is entered in favor of the commissioner with regard to any tax, the judgment bears interest at the rate specified in section 270.75 from the date the judgment is entered until the date of payment.

Subd. 7. [INTEREST ON PENALTIES.] (a) A penalty imposed under section 349.2161, subdivision 1, 2, 3, 4, or 5, bears interest from the date the return or payment was required to be filed or paid (including any extensions) to the date of payment of the penalty.

(b) A penalty not included in paragraph (a) bears interest only if it is not paid within ten days from the date of notice. In that case interest is imposed from the date of notice to the date of payment.

Sec. 47. [349.218] [ADMINISTRATIVE REVIEW.]

Subdivision 1. [TAXPAYER RIGHT TO RECONSIDERATION.] A taxpayer may obtain reconsideration by the commissioner of an

order assessing tax, a denial of a request for abatement of penalty assessed under section 349.152, subdivision 1, clause (5), or 349.2161, or a denial of a claim for refund of money paid to the commissioner under provisions, assessments, or orders under this chapter by filing an administrative appeal as provided in subdivision 4. A taxpayer cannot obtain reconsideration if the action taken by the commissioner is the outcome of an administrative appeal.

Subd. 2. [APPEAL BY TAXPAYER.] A taxpayer who wishes to seek administrative review must follow the procedure provided by subdivision 4.

Subd. 3. [NOTICE DATE.] For purposes of this section the term "notice date" means the date of the order adjusting the tax or order denying a request for abatement, or, in the case of a denied refund, the date of the notice of denial.

Subd. 4. [TIME AND CONTENT FOR ADMINISTRATIVE APPEAL.] Within 60 days after the notice date, the taxpayer must file a written appeal with the commissioner. The appeal need not be in any particular form but must contain the following information:

- (1) name and address of the taxpayer;
- (2) if a corporation, the state of incorporation of the taxpayer, and the principal place of business of the corporation;
- (3) the Minnesota identification number or social security number of the taxpayer;
- (4) the type of tax involved;
- (5) the date;
- (6) the tax years or periods involved and the amount of tax involved for each year or period;
- (7) the findings in the notice that the taxpayer disputes;
- (8) a summary statement that the taxpayer relies on for each exception; and
- (9) the taxpayer's signature or signature of the taxpayer's duly authorized agent.

Subd. 5. [EXTENSIONS.] When requested in writing and within the time allowed for filing an administrative appeal, the commissioner may extend the time for filing an appeal for a period not to exceed 30 days from the expiration of the 60 days from the notice date.

Subd. 6. [AUTOMATIC EXTENSION OF STATUTE OF LIMITATIONS.] Notwithstanding any statute of limitations to the contrary, when the commissioner has made a determination and the taxpayer has authority to file an administrative appeal, the period during which the commissioner can make further assessments or other determinations does not expire before:

(1) 90 days after the notice date if no protest is filed under subdivision 4; or

(2) 90 days after the commissioner notifies the taxpayer of the determination on the appeal.

Subd. 7. [DETERMINATION OF APPEAL.] On the basis of applicable law and available information, the commissioner shall determine the validity, if any, in whole or part of the appeal and notify the taxpayer of the decision. This notice must be in writing and contain the basis for the determination.

Subd. 8. [AGREEMENT DETERMINING TAX LIABILITY.] When it appears to be in the best interests of the state, the commissioner may settle taxes, penalties, or interest that the commissioner has under consideration by virtue of an appeal filed under this section. An agreement must be in writing and signed by the commissioner and the taxpayer or the taxpayer's representative authorized by the taxpayer to enter into an agreement. An agreement must be filed in the office of the commissioner.

Subd. 9. [APPEAL OF AN ADMINISTRATIVE APPEAL.] Following the determination or settlement of an appeal, the commissioner must issue an order reflecting that disposition. Except in the case of an agreement determining tax under this section, the order is appealable to the Minnesota tax court under section 271.06.

Subd. 10. [APPEAL WHERE NO DETERMINATION.] If the commissioner does not make a determination within six months of the filing of an administrative appeal, the taxpayer may elect to appeal to tax court.

Subd. 11. [EXEMPTION FROM ADMINISTRATIVE PROCEDURE ACT.] This section is not subject to chapter 14.

Sec. 48. Minnesota Statutes 1988, section 349.22, subdivision 1, is amended to read:

Subdivision 1. [GROSS MISDEMEANOR.] A person who in any manner violates sections 349.11 to 349.214 349.23 to evade the a tax imposed by a provision of this chapter, or who aids and abets evasion of the a tax, or hinders or interferes with a seizing authority when

a seizure is made as provided by section 349.2125, is guilty of a gross misdemeanor.

Sec. 49. Minnesota Statutes 1988, section 349.22, subdivision 3, is amended to read:

Subd. 3. [FELONY.] (a) A person violating section 349.2127, subdivision 1 or 3, is guilty of a felony.

(b) A person ~~violating who violates~~ section 349.2127, subdivisions 2 and 4, by possessing, receiving, or transporting more than ten pull-tab or tipboard deals ~~not stamped in accordance with this chapter or games, or any combination thereof which exceeds ten deals or games,~~ is guilty of a felony.

Sec. 50. [CHARITABLE GAMBLING CONTROL BOARD; TERMS.]

The terms of all members of the charitable gambling control board expire on June 30, 1989.

Sec. 51. [REPEALER.]

Minnesota Statutes 1988, sections 349.151, subdivisions 3 and 5; 349.161, subdivision 7; 349.164, subdivision 5; 349.171; and 349.22, subdivision 4, are repealed.

Sec. 52. [EFFECTIVE DATE.]

Except as otherwise provided, sections 1 to 49 are effective July 1, 1989.

Section 3 is effective for tipboard deals put into play on or after July 1, 1989.

Section 17 is effective for applications, including applications for license renewals, received by counties on and after July 1, 1989.

Sections 20; 25; 27, subdivision 4a; 42; 43; 44; 45; and 47 are effective for reports and returns becoming due on and after July 1, 1989.

Section 23 is effective for applications received by the board on or after July 1, 1989.

Sections 16 and 18 are effective for applications for licenses and renewals taking effect on or after July 1, 1989.

Sections 46 and 48 are effective for violations occurring on and after July 1, 1989.

ARTICLE 3

STATE LOTTERY DIVISION

Section 1. [349A.01] [STATEMENT OF POLICY.]

The legislature finds that for the purpose of raising necessary additional revenue for public purposes by means of a state-operated lottery in conformity with all applicable laws and rules, consistent with the public interest, the dignity of the state and the need for the highest levels of integrity and public confidence, there is a need to establish a division of state lottery within the department of gaming.

Sec. 2. [349A.02] [DEFINITIONS.]

Subdivision 1. [TERMS DEFINED.] For the purposes of this chapter the terms defined in this section have the meanings given them.

Subd. 2. [BOARD.] "Board" is the state lottery board established in section 4.

Subd. 3. [DIRECTOR.] "Director" is the director of the state lottery division.

Subd. 4. [COMMISSIONER.] "Commissioner" is the commissioner of gaming.

Subd. 5. [DEPARTMENT.] "Department" is the department of gaming.

Subd. 6. [DIVISION.] "Division" is the division of the state lottery in the department of gaming.

Subd. 7. [LOTTERY.] "Lottery" is the state lottery operated by the state lottery division of the department.

Subd. 8. [PERSON.] "Person" is an individual, firm, association, partnership, corporation, trustee, or legal representative.

Subd. 9. [MAJOR PROCUREMENT CONTRACT.] "Major procurement contract" is a contract to provide lottery products, computer hardware and software used to monitor sales of lottery tickets, or lottery tickets. Major procurement contracts do not include contracts to provide annuity or prize payment agreements, and

materials, supplies, equipment, and services common to the ordinary operations of state agencies.

Sec. 3. [349A.03] [STATE LOTTERY DIVISION.]

Subdivision 1. [DIRECTOR.] A state lottery division is established in the department of gaming, under the supervision and control of the director of the state lottery. The governor shall appoint the first director from a list of at least three persons recommended to the governor by the governor's commission on the lottery which was appointed by the governor on December 8, 1988. Subsequent directors must be appointed by the commissioner. The director must be qualified by experience and training to supervise the lottery. The director serves in the unclassified service.

Subd. 2. [REMOVAL.] (a) The director may be removed from that position only by the person who appointed the director. The director may be removed, after notice and a hearing if requested, only for:

(1) violating section 12;

(2) malfeasance, nonfeasance, or misfeasance as defined in section 351.14, subdivisions 2, 3, and 4; or

(3) failure to perform adequately the duties of the director.

(b) For the purposes of this subdivision, adequate performance of the director may be determined by:

(1) gross revenue from the sale of lottery tickets;

(2) efficiency of the administration of lottery operations;

(3) public confidence in the integrity of the lottery; and

(4) compliance with advertising requirements in section 10.

A hearing under this subdivision must be conducted by the person proposing to remove the director.

Subd. 3. [POWERS AND DUTIES.] The director shall operate the lottery consistent with the policy in section 1. In doing so the director shall exercise the following powers and duties:

(1) adopt rules and game procedures;

(2) issue lottery retailer contracts and rule on appeals of decisions relating to those contracts;

(3) make contracts for the provision of goods and services to the lottery;

(4) employ personnel as are required to operate the lottery; and

(5) take all necessary steps to ensure the integrity of, and public confidence in, the state lottery.

Subd. 4. [EMPLOYEES; CLASSIFICATION.] The director may appoint other personnel as are necessary to operate the state lottery. Employees of the division who are not professional employees as defined in section 179A.03, subdivision 13, and employees whose primary responsibilities are in data processing and accounting, are in the classified service. All other employees of the division are in the unclassified service.

Subd. 5. [COMPENSATION.] The compensation of employees in the division is as provided in chapter 43A. The commissioner of employee relations may, at the request of the director, develop and implement a plan for making incentive payments to employees of the division whose primary responsibilities are in marketing.

Subd. 6. [EMPLOYEES; BACKGROUND CHECKS.] The director shall conduct background checks, or request the director of inspection and enforcement to make background checks, on all prospective employees who are finalists as defined in section 13.43, subdivision 3, and may require that all employees of the division be fingerprinted. No person may be employed by the division who has been convicted of a felony or a crime involving fraud or misrepresentation within five years of starting employment with the division, or has ever been convicted of a gambling-related offense. The director has access to all criminal history data compiled by the bureau of criminal apprehension or the division of inspection and enforcement on employees and prospective employees of the lottery. The director may employ necessary persons pending the completion of a background check.

Subd. 7. [ASSISTANCE.] The director may request any other department or agency of the state, including the division of inspection and enforcement, to provide reasonable assistance to the director in carrying out the director's duties. All provision of services to the director from another state agency, including a constitutional officer, must be by agreement made between the director and the agency. An agreement must include provisions specifying the duration of such services, the assignment of personnel of other agencies to provide the services, the determination of the cost of such services, and the transfer, from the lottery operations fund to the agency, of funds sufficient to pay the costs of the services.

Subdivision 1. [BOARD CREATED.] There is created within the division a state lottery board. The board consists of eight members appointed by the governor plus the commissioner as a voting member. The governor must appoint one member to the board from each congressional district. Not more than five of the members appointed by the governor may belong to the same political party and at least four members must reside outside the seven-county metropolitan area. The terms of office, removal from office, and compensation of members of the board, other than the commissioner, are as provided in section 15.059. The members of the board shall select the chair of the board, who shall not be the commissioner.

Subd. 2. [BOARD DUTIES.] The board has the following duties:

- (1) to advise the director on all aspects of the lottery;
- (2) to review and comment on rules and game procedures adopted by the director;
- (3) to review and comment on advertising promulgated by the director at least quarterly to ensure that all advertising is consistent with the dignity of the state and with section 10; and
- (4) to approve additional compensation for the director under subdivision 3.

Subd. 3. [DIRECTOR; ADDITIONAL COMPENSATION.] The board shall adopt objective criteria for evaluating the performance of the director. The criteria must include, but is not limited to, the performance factors in section 3, subdivision 2, paragraph (b), clauses (1) to (4). The board may approve, by majority vote of all members, compensation for the director in addition to the compensation provided under section 15A.081, subdivision 1, based on the director's performance in office as evaluated according to the board's criteria. The additional compensation shall be paid from the lottery operations fund. The board may not approve additional compensation under this subdivision more often than once in a 12-month period.

Sec. 5. [349A.05] [LOTTERY GAME PROCEDURES.]

The director may adopt game procedures governing the following elements of the lottery:

- (1) lottery games;
- (2) ticket prices;
- (3) number and size of prizes;

(4) methods of selecting winning tickets; and

(5) frequency and method of drawings.

The adoption of lottery game procedures is not subject to chapter 14. Before adopting a lottery game procedure, the director shall submit the procedure to the board for its review and comment.

Sec. 6. [349A.06] [RULES.]

The director may adopt rules, including emergency rules, under chapter 14 governing the following elements of the lottery:

(1) the number and types of lottery retailers' locations;

(2) qualifications of lottery retailers and application procedures for lottery retailer contracts;

(3) investigation of lottery retailer applicants;

(4) appeal procedures for denial, suspension, or cancellation of lottery retailer contracts;

(5) compensation of lottery retailers;

(6) accounting for and deposit of lottery revenues by lottery retailers;

(7) procedures for issuing major procurement contracts and for the investigation of bidders on those contracts;

(8) payment of prizes;

(9) procedures needed to ensure the integrity and security of the lottery; and

(10) other rules the director considers necessary for the efficient operation and administration of the lottery. Before adopting a rule the director shall submit the rule to the board for its review and comment.

Sec. 7. [349A.07] [LOTTERY RETAILERS.]

Subdivision 1. [CONTRACTS.] The director shall sell tickets for the lottery through lottery retailers with whom the director contracts. Contracts under this section are valid for a period of one year.

Subd. 2. [QUALIFICATIONS.] (a) The director may not contract with a retailer who:

(1) is under the age of 18;

(2) is in business solely as a seller of lottery tickets;

(3) has been convicted within the previous five years of a felony or gross misdemeanor, any crime involving fraud or misrepresentation, or a gambling-related offense;

(4) is a member of the immediate family, residing in the same household, as the director, board member, or any employee of the division; or

(5) in the director's judgment does not have the financial stability or responsibility to act as a lottery retailer, or whose contracting as a lottery retailer would adversely affect the public health, welfare, and safety, or endanger the security and integrity of the lottery.

(b) An organization, firm, partnership, or corporation that has (1) a stockholder who owns more than five percent of the stock of the corporation, or (2) an officer, or director, that does not meet the requirements of paragraph (a), clause (3) is not eligible to be a lottery retailer under this section.

(c) The restrictions under paragraph (a), clause (3), do not apply to an organization, partnership, or corporation if the director determines that the organization, partnership, or firm has terminated its relationship with the individuals whose actions directly contributed to the disqualification under this subdivision.

Subd. 3. [BOND.] The director shall require that each lottery retailer post a bond, in an amount as the director deems necessary, to protect the financial interests of the state.

Subd. 4. [CRIMINAL HISTORY.] The director may request the director of inspection and enforcement to investigate all applicants for lottery retailer contracts to determine their compliance with the requirements of subdivision 2. The director may issue a temporary contract, valid for not more than 90 days, to an applicant pending the completion of the investigation or a final determination of qualifications under this section.

Subd. 5. [RESTRICTIONS ON LOTTERY RETAILERS.] (a) A lottery retailer may sell lottery tickets only on the premises described in the contract.

(b) A lottery retailer must prominently display a certificate issued by the director on the premises where lottery tickets will be sold.

(c) A lottery retailer must keep a complete set of books of account, correspondence, and all other records necessary to show fully the

retailer's lottery transactions, and make them available for inspection by employees of the division at all times during business hours. The director may require a lottery retailer to furnish information as the director deems necessary to carry out the purposes of this chapter, and may require an audit to be made of the books of account and records. The director may select an auditor to perform the audit and may require the retailer to pay the cost of the audit. The auditor has the same right of access to the books of account, correspondence, and other records as is given to employees of the agency.

(d) A contract issued under this section may not be transferred or assigned.

(e) The director shall require that lottery tickets may be sold by retailers only for cash.

Subd. 6. [ON-SALE LIQUOR ESTABLISHMENTS.] The director may not authorize the sale of lottery tickets within establishments licensed to sell alcoholic beverages for consumption on the premises that, within the previous five years of applying to be a lottery retailer, have had a licensed organization conducting lawful gambling on the premises under chapter 349.

Subd. 7. [NONPROFIT ORGANIZATIONS.] The director may not enter into a contract with a nonprofit organization to act as a lottery retailer under this section.

Subd. 8. [RETENTION BY RETAILERS.] The director may by rule provide for:

(1) amounts which a lottery retailer may retain from gross receipts from the sale of lottery tickets in order to pay prizes to holders of winning tickets; and

(2) amounts which a lottery retailer may retain from gross receipts from the sale of lottery tickets as a commission.

Subd. 9. [RETAILER RENTAL PAYMENTS.] If a lottery retailer's rental payments for the business premises are contractually computed, in whole or in part, on the basis of a percentage of retail sales, and the computation of retail sales is not explicitly defined to include the sale of lottery tickets, the compensation retained by the sales agent for the sale of lottery tickets shall be considered the amount of the retail sale for purposes of computing the rental payments.

Subd. 10. [PROCEEDS OF SALES.] All proceeds from the sale of lottery tickets received by a lottery retailer constitute a trust fund until paid to the director. The lottery retailer is personally liable for all proceeds.

Subd. 11. [PRIVATE DATA.] All reports filed by lottery retailers with the director are private data under chapter 13.

Subd. 12. [FEE.] The director may charge a nonrefundable application fee to a person applying for a lottery retailer contract, in an amount sufficient to cover the costs of making the investigation required under subdivision 4. The fee collected under this subdivision must be deposited in the lottery fund.

Subd. 13. [LOCAL LICENSES.] No political subdivision may require a local license to operate as a lottery retailer or impose a tax or fee on the business of operating as a lottery retailer.

Subd. 14. [REVOCAION, SUSPENSION, AND REFUSAL TO RENEW LICENSES.] (a) The director may cancel the contract of any lottery retailer who:

(1) has been convicted of a felony or gross misdemeanor in any federal or state court;

(2) has committed fraud, misrepresentation, or deceit;

(3) has provided false or misleading information to the division; or

(4) has acted in a manner prejudicial to public confidence in the integrity of the lottery.

(b) The director may cancel, suspend, or refuse to renew the contract of any lottery retailer who:

(1) changes business location;

(2) fails to account for lottery tickets received or the proceeds from tickets sold;

(3) fails to remit funds to the director in accordance with the director's rules;

(4) violates a law or a rule or order of the director;

(5) fails to comply with any of the terms in the lottery retailer's contract;

(6) fails to comply with bond requirements under this section;

(7) in the opinion of the director fails to maintain a sufficient sales volume to justify continuation as a lottery retailer; or

(8) has violated section 340A.503, subdivision 2, clause (1), two or more times within a two-year period.

(c) The director may also cancel, suspend, or refuse to renew a lottery retailer's contract if there is a material change in any of the factors considered by the director under subdivision 2.

(d) A contract cancellation, suspension, or refusal to renew under this subdivision is a contested case under sections 14.57 to 14.69 and is in addition to any criminal penalties provided for a violation of law or rule.

(e) The director may temporarily suspend a contract without notice for any of the reasons specified in this subdivision provided that a hearing is conducted within seven days after a request for a hearing is made by a lottery retailer. Within 20 days after receiving the administrative law judge's report, the director shall issue an order vacating the temporary suspension or making any other appropriate order. If no hearing is requested within 30 days of the temporary suspension taking effect, the director may issue an order making the suspension permanent.

Sec. 8. [349A.08] [VENDOR CONTRACTS.]

Subdivision 1. [CONTRACTS AUTHORIZED.] The director may enter into major procurement contracts for the purchase, lease, or lease-purchase of the goods or services that are necessary for the purposes of this chapter. In entering into all major procurement contracts, the director shall utilize an open bid process and shall take into account the particularly sensitive nature of the state lottery and shall consider the competence, quality of product, experience, and timely performance of each potential vendor in order to promote and ensure security, honesty, fairness, and integrity in the operation and administration of the lottery.

Subd. 2. [INVESTIGATION OF POTENTIAL VENDORS.] The director shall request the director of the division of inspection and enforcement to investigate the background, financial responsibility, security, and integrity of any person who submits a bid, proposal, or offer as part of a major procurement contract issuance by the agency. The director may require the person making the bid, proposal, or offer to pay for the cost of the investigation. Any fee collected under this subdivision must be deposited into the state lottery fund. At the time of submitting any bid, proposal, or offer, the bidder shall disclose to the director the information the director considers necessary to carry out the purposes of this section. The director has access to all criminal history data compiled by the division of inspection and enforcement on all vendors and potential vendors who have submitted a bid to the agency.

Subd. 3. [PERSONS INELIGIBLE FOR CONTRACT.] (a) The

director may not enter into a major procurement contract with an applicant that has been convicted of a felony in a state or federal court within the last ten years, has been convicted of a gross misdemeanor or gambling-related misdemeanor within the last five years, or has been found guilty of any crime involving fraud or misrepresentation within the last five years.

(b) The director may not enter into a major procurement contract with an applicant that has (1) a person who owns more than five percent of the stock in the applicant that does not meet the requirements of this subdivision, or (2) a partner, officer, or director that does not meet the requirements of this subdivision.

(c) The restrictions under this subdivision do not apply to an applicant for a major procurement contract if the director determines that the applicant has terminated its relationship with the individuals whose actions directly contributed to the disqualification of the applicant under this subdivision.

Subd. 4. [CONFLICT OF INTEREST.] The director may not enter into a major procurement contract with a person to supply goods or services if that person has an ownership interest in an entity that had supplied consultation services to the lottery regarding the request for proposal pertaining to those particular goods or services.

Subd. 5. [BOND.] (a) The director shall require securities to be deposited, or a performance bond or a letter of credit to be executed by the person or corporation that is awarded a major procurement contract in an amount as determined by the director.

(b) Any securities deposited with the director under this subdivision must be interest-bearing and limited to:

(1) certificates of deposit issued by a solvent bank or savings association organized and existing under the laws of this state or under the laws of the United States and having its principal place of business in this state;

(2) United States bonds, notes, and bills, for which the full faith and credit of the government of the United States is pledged for the payment of principal and interest; and

(3) general obligation bonds of any political subdivision of this state, or corporate bonds of a corporation that is not an affiliate or subsidiary of the vendor, if the general obligation bonds or corporate bonds are rated in one of the four highest classifications by an established nationally-recognized investment rating service.

(c) Any letter of credit executed under this subdivision must provide that:

(1) nothing more than a demand for payment is necessary for payment and is not conditional on the delivery of any other documents or materials;

(2) the letter of credit is irrevocable and cannot be modified or revoked without the consent of the director;

(3) the letter of credit cannot expire without notice from the issuer and the notice must occur at least 60 days before the expiration date of the letter of credit;

(4) the letter of credit is issued by a bank which is a member of the federal reserve system which has a long-term debt rating by a recognized national rating agency of investment grade or better;

(5) the letter of credit is unconditional, is not conditional upon reimbursement to the bank or the bank's ability to perfect any lien or security interest, and does not contain references to any other agreement, document, or entity; and

(6) the letter of credit designates the director as beneficiary.

Subd. 6. [EXEMPTIONS.] Major procurement contracts entered into by the director are not subject to the provisions of sections 16B.06 to 16B.102 or 16B.17, provided that the director must utilize an open and competitive bid process for major procurement contracts, and as nearly as practicable follow the procedures of chapter 16B governing contracts, consistent with the provisions of this section.

Subd. 7. [ASSIGNMENT.] A contract entered into under this section may not be assigned without the specific written approval of the director.

Sec. 9. [349A.09] [LOTTERY PRIZES.]

Subdivision 1. [AGREEMENT BY PLAYERS.] A person who buys a lottery ticket agrees to be bound by the rules applicable to the particular lottery game for which the ticket is purchased. The player acknowledges that the determination of whether a ticket is a valid winning ticket is subject to the rules of the director, claims procedures established by the director for that game, and any confidential or public validation tests established by the director for that game.

Subd. 2. [PRIZES NOT ASSIGNABLE.] A prize in the state lottery is not assignable except as provided in subdivision 3 and except that:

(1) if a prize winner dies before the prize is paid, the director shall pay the prize to the prize winner's estate; and

(2) the director may pay a prize to a person other than the winner of that prize under an appropriate court order.

Subd. 3. [PRIZES WON BY PERSONS UNDER AGE 18.] The following provisions govern the payment of a lottery prize to a person under age 18:

(1) if the prize is less than \$5,000, the director may give a draft, payable to the order of the person under age 18, to the person's parents, custodial parent if one parent has custody, guardian, or other adult member of the person's family; and

(2) if the prize is \$5,000 or more, the director may deposit the prize in a financial institution to the credit of the person's parents, custodial parent if one parent has custody, guardian, or other adult member of the person's family.

Subd. 4. [DISCHARGE OF LIABILITY.] The payment of a prize by the director discharges the director and the state of all liability for the prize.

Subd. 5. [PAYMENT; UNCLAIMED PRIZES.] A prize in the state lottery must be claimed by the winner within one year of the date of the drawing at which the prize was awarded. Any prize money not claimed at the end of this period must be added by the director to prize pools of subsequent lottery games and the winner of the prize shall have no further claim to the prize. A prize won by a person who purchased the winning ticket in violation of section 13, subdivision 1, or won by a person ineligible to be awarded a prize under subdivision 7 must be treated as an unclaimed prize under this section.

Subd. 6. [INSTALLMENT PAYMENTS.] If the director decides to pay all or part of a prize in the form of installments over a period of years, the director shall provide for the payment of all installments by:

(1) entering into a contract with a financially responsible person or firm or by purchasing an annuity to provide for the payment of the installments; or

(2) establishing and maintaining as a separate and independent fund outside the state treasury a reserve account with sufficient funds for the payment of the installments as they become due.

Subd. 7. [PAYMENTS PROHIBITED.] (a) No prize may be paid to a member of the board, the director or an employee of the division, or a member of their families residing in the same household of the member, director, or employee. No prize may be paid to an officer or employee of a vendor which at the time the game or drawing was

being conducted was involved with providing goods or services to the lottery under a major procurement contract.

(b) No prize may be paid for a stolen, altered, or fraudulent ticket.

(c) No prize may be paid to any person under the age of 18 years except in the case of a ticket inherited by a person under the age of 18 years. The director may require evidence of inheritance of the ticket before paying the prize.

Subd. 8. [WITHHOLDING OF DELINQUENT STATE TAXES OR CHILD SUPPORT.] The director shall report the name, address, and social security number of each winner of a lottery prize of \$1,000 or more to the department of revenue to determine whether the person that won the prize is delinquent in payment of state taxes and to the department of human services to determine whether the person is delinquent in court-ordered payment of child support. If the person is delinquent in payment of state taxes or court-ordered child support, the director shall withhold the delinquent amount from the person's prize for remittance to the department of revenue or to the appropriate person. If the winner of a prize is delinquent both in payments of state taxes and court-ordered child support, the amount remitted to the department of revenue or to the appropriate person shall be in proportion to the prize amount as is the amount owed by the winner.

Subd. 9. [PERSONAL DATA ON WINNERS.] At the request of any person winning a lottery prize of \$50,000 or more, the director shall classify all personal data on that person in the director's records as private data.

Sec. 10. [349A.10] [LOTTERY ADVERTISING.]

Subdivision 1. [ODDS; REQUIRED INFORMATION.] The director shall include on each brochure, pamphlet, booklet, or other similar material the director publishes to promote or explain any lottery game, a prominent and clear statement of the chances of winning each prize offered in that lottery game. Each lottery retailer must post prominently at or near the point of ticket sale a notice or notices printed and provided by the director of the odds of winning each prize in each game for which the lottery retailer sells tickets.

Each publication and notice required under this subdivision must contain a prominent statement substantially setting out the restrictions in section 349A.09, subdivision 7, on payment of prizes to persons under the age of 18 years.

Subd. 2. [CONTENT OF ADVERTISING.] (a) Advertising and promotional materials for the lottery adopted or published by the

director must be consistent with the dignity of the state and may only:

(1) present factual information on how lottery games are played, prizes offered, where and how tickets may be purchased, and odds on the games advertised;

(2) identify state programs supported by lottery net revenues;

(3) present the lottery as a form of entertainment or recreation; or

(4) state the winning numbers or identity of winners of lottery prizes.

(b) The director may not adopt or publish any advertising for the lottery which:

(1) presents directly or indirectly any lottery game as a potential means of relieving any person's financial or economic difficulties;

(2) is specifically targeted with the intent to exploit specific groups or economic classes of people; or

(3) presents the purchase of a lottery ticket as a financial investment.

Subd. 3. [PRIZES; REQUIRED INFORMATION.] The director must include, in any publication or print advertising which refers to a prize which is or may be paid in installments, a statement to the effect that the prize will be or may be paid in installments.

Sec. 11. [349A.11] [LOTTERY FUNDS.]

Subdivision 1. [STATE LOTTERY FUND.] The director shall establish a state lottery fund outside the state treasury. The fund consists of all money received by the director from the sale of lottery tickets and from the issuance of lottery retailer contracts, and all other money credited or transferred to it by law, except for money set aside and deposited in the lottery prize fund under subdivision 2.

Subd. 2. [DEPOSIT IN PRIZE FUND.] The director shall establish a lottery prize fund outside the state treasury. The fund consists of all money deposited in it under this subdivision and all interest earned thereon. The director shall deposit in the lottery prize fund, from gross receipts from the sale of lottery tickets for games other than games which require on-line computer terminal connections, an amount sufficient to pay lottery prizes from the lottery prize fund according to the following percentages:

(1) for games which require on-line terminal connections, the prizes paid in any fiscal year must equal as nearly as practicable an amount determined by the director which shall be not less than 50 percent nor more than 70 percent of gross revenues to the state lottery fund in that fiscal year;

(2) for games which do not require on-line terminal connections, the prizes paid in any fiscal year must equal as nearly as practicable 70 percent of the gross revenues to the state lottery fund in that fiscal year.

Subd. 3. [LOTTERY OPERATIONS.] (a) The director shall establish a lottery operations fund outside the state treasury. The director shall from time to time transfer from the state lottery fund to the lottery operations fund amounts sufficient to pay the operating costs of the lottery.

(b) The director may not transfer in any fiscal year amounts to the lottery operations fund which when totaled exceed 15 percent of total revenue to the state lottery fund in that year. In computing total amounts transferred to the lottery operations fund under this paragraph the director may disregard amounts transferred to or retained by lottery retailers as sales commissions or other compensation.

Subd. 4. [DEPOSIT OF RECEIPTS.] (a) The director may require lottery retailers to:

(1) deposit in a separate account to the credit of the state lottery fund, in banks designated by the director, all money received by the lottery retailer from the sale of lottery tickets, less money retained as the lottery retailer's commission and for payment of prizes;

(2) file with the director reports of the lottery retailer's receipts and transactions in ticket sales in a form that the director prescribes; and

(3) allow money deposited by the lottery retailer from the sale of lottery tickets to be transferred to the agency through electronic fund transfer.

(b) The director may make arrangements for any person, including a financial institution, to perform functions, activities, or services in connection with the receipt and distribution of lottery revenues.

(c) A lottery retailer who fails to pay any money due to the director within the time prescribed by the director shall pay interest on the amount owed at the rate determined by rule.

Subd. 5. [DEPOSIT OF NET PROCEEDS.] At the end of each month, the director shall determine and pay to the state treasurer the net proceeds of the lottery after transfers to the lottery prize fund and the lottery operations fund. Net proceeds must be determined by deducting from gross receipts to the lottery for that month and interest earned by the lottery:

(1) total prizes paid out in that month;

(2) an amount the director determines to be reasonably required to pay future prize obligations resulting from lottery drawings in that month;

(3) the value of lottery tickets returned or canceled;

(4) an amount sufficient to pay costs incurred for the operation and administration of the lottery;

(5) payments made for the purchase and promotion of lottery games and game-related services; and

(6) payments made to lottery retailers.

Sec. 12. [349A.12] [CONFLICT OF INTEREST.]

(a) The director, a board member, an employee of the division, a member of the immediate family of the director, board member, or employee residing in the same household may not:

(1) purchase a lottery ticket;

(2) have any personal pecuniary interest in any vendor contracting with the state to supply services or gaming equipment or materials for use in the operation of the lottery, or in any lottery retailer; or

(3) receive any gift, gratuity, or other thing of value, excluding food or beverage, from any lottery vendor or lottery retailer, or person applying to be a retailer or vendor, in excess of \$100 in any calendar year. A violation of clause (1) is a misdemeanor. A violation of clause (2) or (3) is a gross misdemeanor.

(b) The director or an unclassified employee of the division may not, within one year of terminating employment with the division, accept employment with, act as an agent or attorney for, or otherwise represent any person, corporation, or entity that had any major procurement contract or bid for a major procurement contract with the division within a period of two years prior to the termination of their employment. A violation of this paragraph is a misdemeanor.

Sec. 13. [349A.13] [PROHIBITED ACTS.]

Subdivision 1. [PURCHASE BY MINORS.] A person under the age of 18 years may not buy a ticket in the state lottery.

Subd. 2. [SALE TO MINORS.] A lottery retailer may not knowingly sell a ticket in the state lottery to any person under the age of 18 years.

Subd. 3. [PROHIBITED SALES.] (a) A person other than a lottery retailer may not sell a ticket in the state lottery.

(b) A lottery retailer may not sell a ticket for a price other than the price set by the director.

Subd. 4. [FRAUDULENT TICKETS.] A person may not:

(1) counterfeit or alter a state lottery ticket with intent to make a fraudulent claim for payment;

(2) knowingly present a counterfeit or altered state lottery ticket for payment;

(3) knowingly transfer a counterfeit or altered state lottery ticket to another person to present for payment; or

(4) conspire, aid, abet, or agree to aid another person or persons to claim a lottery prize by means of fraud, deceit, or misrepresentation.

Subd. 5. [FALSE STATEMENTS.] A person may not:

(1) make a false or misleading statement in a book or record required to be submitted under this chapter;

(2) willfully refuse to produce for inspection when required under this chapter a book, record, or document required to be maintained; or

(3) make a false or misleading statement in information submitted to the director in a lottery retailer's application or a document related to a bid.

Subd. 6. [ILLEGAL ACCESS.] (a) A person may not obtain access to a computer data base maintained by the director without the specific authorization of the director.

(b) A person may not obtain access to a computer data base maintained by a person under contract with the director to maintain

the data base without the specific authorization of the director and the person maintaining the data base.

(c) A person may not attempt to violate paragraph (a) or (b), or conspire with, aid, abet, or agree to aid another person to violate or attempt to violate paragraph (a) or (b).

Subd. 7. [LOTTERY RETAILERS AND VENDORS.] A person who is a lottery retailer, or is applying to be a lottery retailer, a person applying for a contract with the director, or a person under contract with the director to supply lottery games, equipment, or services may not pay, give, or make any economic opportunity, gift, loan, gratuity, special discount, favor, hospitality, or service, excluding food or beverage, having an aggregate value of over \$100 in any calendar year to the commissioner, the director, board member, employee of the lottery division, employee of the department of gaming as security or enforcement personnel, or to a member of the immediate family residing in the same household as that person.

Subd. 8. [VIOLATION OF RULE.] A person may not violate a rule of the director adopted under this chapter.

Subd. 9. [EXCEPTIONS.] Nothing in this chapter prohibits giving a state lottery ticket as a gift.

Subd. 10. [VIOLATIONS.] Violation of subdivision 1 or 2 is a misdemeanor. Violation of subdivision 3, 7, or 8 is a gross misdemeanor. Violation of subdivision 4, 5, or 6 is a felony.

Sec. 14. [349A.14] [RESTRICTIONS.]

Nothing in this chapter:

(1) authorizes the director to conduct a lottery game or contest the winner or winners of which are determined by the result of a sporting event other than a horse race conducted under chapter 240;

(2) authorizes the director to install or operate a lottery device operated by coin or currency which when operated determines the winner of a game; and

(3) authorizes the director to sell pull-tabs as defined under section 349.12, subdivision 10.

Sec. 15. [349A.15] [CONTRIBUTIONS TO POLITICAL CANDIDATES.]

On and after July 1, 1992, no person or organization may be selected to provide auditing services or a major procurement item to the lottery division if the person, organization, an officer of the

organization, or a political action committee of or supported by the organization contributed to any candidate for political office in Minnesota state government within the three years preceding the contract award. On and after the effective date of this section, no person or organization selected to provide these services or items to the lottery division, or its officers or political action committee, may make the political contributions described in this section during the period of the contract or for three years after the contract has been performed.

Sec. 16. [349A.16] [AUDIT.]

The director shall contract for an annual certified audit of all accounts and transactions of the lottery. The audit must be conducted by a certified public accountant in accordance with generally accepted accounting standards. The director shall file a copy of each audit report of the lottery with the governor and the legislature.

Sec. 17. [EFFECTIVE DATE.]

Sections 1 to 16 are effective the day following final enactment.

ARTICLE 4

DEPARTMENT OF GAMING

Section 1. Minnesota Statutes 1988, section 15.06, subdivision 1, is amended to read:

Subdivision 1. [APPLICABILITY.] This section applies to the following departments or agencies: the departments of administration, agriculture, commerce, corrections, jobs and training, education, employee relations, trade and economic development, finance, gaming, health, human rights, labor and industry, natural resources, public safety, public service, human services, revenue, transportation, and veterans affairs; the housing finance, state planning, and pollution control agencies; the office of commissioner of iron range resources and rehabilitation; the bureau of mediation services; and their successor departments and agencies. The heads of the foregoing departments or agencies are "commissioners."

Sec. 2. [349B.01] [DEPARTMENT OF GAMING CREATED; COMMISSIONER.]

Subdivision 1. [DEPARTMENT CREATED.] A department of gaming is created under the supervision of a commissioner of gaming, which office is established. The commissioner of gaming is appointed by the governor with the advise and consent of the senate. The commissioner shall create within the department divisions of pari-mutuel racing, charitable gambling, and state lottery.

Subd. 2. [DUTIES OF COMMISSIONER.] The duties of the commissioner are:

(1) subject to the provisions of article 3, section 3, subdivision 1, appoint directors of the three divisions;

(2) to sit as a voting member of the Minnesota racing commission, the charitable gambling control board, and the state lottery board;

(3) to study the extent and status of legal and illegal gambling in Minnesota, and social, economic, and legal problems which may result from legal and illegal gambling;

(4) to ensure that all boards and commissions the commissioner is a member of take and maintain complete and accurate records of their proceedings; and

(5) to report annually to the governor and legislature on the activities of the department including studies under clause (2), and recommended changes in laws dealing with legal and illegal gambling.

Subd. 3. [EMPLOYEES.] The commissioner shall appoint and assign duties to employees as the commissioner deems necessary to carry out the duties specified in subdivision 2.

Subd. 4. [SUBPOENA POWER.] The commissioner has the same authority to issue subpoenas as is granted to the Minnesota racing commission, the directors of each division of the department, and the commissioner of revenue, under chapters 240, 349, 349A, and 349C.

Sec. 3. [349B.02] [COMMISSIONER; CONFLICT OF INTEREST.]

No person may be appointed or serve as commissioner of gaming who has any personal pecuniary interest in any corporation, association, or partnership which:

(1) has been issued a lottery retailer contract;

(2) is a vendor of goods or services to the state lottery or to a holder of a class A or B license issued by the Minnesota racing commission;

(3) holds a license issued by the Minnesota racing commission;

(4) holds a distributor, manufacturer, or bingo hall license issued by the charitable gambling control board.

Sec. 4. [EFFECTIVE DATE.]

Sections 1 to 3 are effective the day following final enactment.

ARTICLE 5

DIVISION OF INSPECTION AND ENFORCEMENT

Section 1. [299K.01] [DEFINITIONS.]

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

Subd. 2. [DIVISION.] "Division" is the division of inspection and enforcement in the department of public safety.

Subd. 3. [DEPARTMENT.] "Department" is the department of public safety.

Subd. 4. [DIRECTOR.] "Director" is the director of the division of inspection and enforcement.

Subd. 5. [COMMISSIONER.] "Commissioner" is the commissioner of public safety.

Sec. 2. [299K.02] [DIVISION OF INSPECTION AND ENFORCEMENT.]

Subdivision 1. [DIVISION.] A division of inspection and enforcement is created in the department of public safety under the control and supervision of the director of inspection and enforcement who shall be appointed by the commissioner of public safety. The director must be qualified by experience in law enforcement to act as the director.

Subd. 2. [REMOVAL.] The director serves at the pleasure of the commissioner in the unclassified service.

Subd. 3. [EMPLOYEES.] The director may employ other persons as necessary to carry out the director's powers and duties under this chapter. All professional employees, as defined under section 179A.03, subdivision 13, of the division of inspection and enforcement are in the unclassified service. The director shall request that the bureau of criminal apprehension perform background checks on all persons seeking employment with the division.

Sec. 3. [299K.03] [DUTIES OF DIRECTOR.]

Subdivision 1. [LOTTERY.] (a) The director shall conduct background checks on employees of the state lottery, lottery retailers,

and successful bidders of major procurement contracts with the lottery.

(b) Whenever the director believes it to be necessary or when so requested by the director of the state lottery, the director shall conduct investigations of lottery retailers, applicants for lottery retailer contracts, suppliers of goods or services to the state lottery, and persons bidding on contracts for goods or services with the state lottery.

(c) The director shall conduct an annual security audit of the state lottery, or arrange for such an audit by an outside agency or person, firm, or corporation. The director shall report to the state lottery board and the director of the lottery on the results of the audit.

(d) Whenever the director believes it to be necessary or when so requested by the director of the state lottery, the director shall conduct inspections of the premises of any lottery retailer or the activities of any lottery retailer to determine the retailer's compliance with applicable laws and rules and orders of the director of the state lottery.

(e) Whenever the director believes it to be necessary or when so requested by the director of the state lottery, the director shall conduct an audit of any lottery retailer's accounts, books, records, or other documents the agent is required to keep.

Subd. 2. [CHARITABLE GAMBLING.] The director shall:

(1) conduct background investigations of applicants for licensing as a manufacturer or distributor of gambling equipment or as a bingo hall under chapter 349; and

(2) when the director believes it to be necessary or when so requested by the charitable gambling control board or the director of the board, the director shall inspect the premises of a licensee under chapter 349 to determine compliance with law and with the rules of the board, or to conduct an audit of the accounts, books, records, or other documents required to be kept by the licensee.

Subd. 3. [HORSE RACING INVESTIGATIONS.] (a) The director shall conduct background investigations as provided by law on all applicants for licenses issued by the Minnesota racing commission.

(b) Whenever the director believes it to be necessary or when so requested by the Minnesota racing commission or the executive director of the racing commission, the director shall investigate the activities of a licensee of the commission to determine the licensee's compliance with law and with rules of the commission.

Subd. 4. [OTHER GAMBLING.] The director shall cooperate with all state and local agencies in the detection and apprehension of unlawful gambling.

Subd. 5. [BACKGROUND CHECKS.] In any background check required to be conducted by the director under chapter 240, 349, or 349A, the director may require that fingerprints be taken and the director may forward the fingerprints to the Federal Bureau of Investigation for the conducting of a national criminal history check.

Sec. 4. [299K.04] [POWERS OF DIRECTOR.]

Subdivision 1. [INSPECTIONS; ACCESS.] In conducting any inspection authorized under chapter 240, 349, or 349A, the director has free and open access to all parts of the regulated business premises, and may conduct the inspection at any reasonable time without notice and without a search warrant. For purposes of this subdivision, "regulated business premises" means premises where:

(1) lawful gambling is conducted by an organization licensed under chapter 349 or by an organization exempt from licensing under section 349.214;

(2) gambling equipment is manufactured, sold, distributed, or serviced by a manufacturer or distributor licensed under chapter 349;

(3) records required to be maintained under chapter 240, 349, or 349A are prepared or retained;

(4) lottery tickets are sold by a lottery retailer under chapter 340A; or

(5) races are conducted by a person licensed under chapter 240.

Subd. 2. [ITEMS REQUIRED TO BE PRODUCED.] In conducting an audit or inspection authorized under chapter 240, 349, or 349A, the director may inspect any book, record, or other document the licensee, retailer, or vendor is required to keep.

Subd. 3. [SUBPOENA POWER.] The director may issue subpoenas to compel the attendance of witnesses and the production of documents, books, records, and other evidence relating to any investigation or audit the director is authorized to conduct.

Subd. 4. [ACCESS TO CRIMINAL HISTORY.] The director has access to all criminal history data compiled by the bureau of criminal apprehension on any person licensed under contract with the state lottery, racing commission, or the charitable gambling

control board, or any applicant for licensing or a person who has submitted a bid on a gambling contract.

Subd. 5. [ARREST POWERS.] The director may designate certain employees who are authorized to arrest or investigate any person who is suspected of violating any provision of chapter 240, 349, or 349A, or is suspected of committing any crime involving gambling, and to conduct searches and seizures to enforce any of those laws. Any employee authorized by this subdivision to make an arrest must be licensed under sections 626.84 to 626.863.

Subd. 6. [UNLICENSED SELLERS.] (a) If anyone not licensed under chapter 349 sells gambling equipment at a business establishment, the director may, in addition to any other provisions of chapter 349:

(1) assess a civil penalty of not more than \$300 against each person participating in the sales and assess a civil penalty of not more than \$1,000 against the owner or owners of the business establishment; or

(2) if the subject violation is the second or subsequent violation of this subdivision at the same business establishment within any 24-month period, assess a civil penalty of not more than \$300 against each person participating in such sales, and assess a civil penalty of not more than \$5,000 against the owner or owners of the business establishment.

(b) The assessment of a civil penalty under this section does not preclude a recommendation by the director at any time deemed appropriate to a licensing authority for revocation, suspension, or denial of a license controlled by the licensing authority.

(c) Within ten days of an assessment under this subdivision, the person assessed the penalty must pay the assessment or request that a hearing be held under chapter 14. If a hearing is requested, the hearing must be scheduled within 20 days of the request, and the recommendations of the administrative law judge must be issued within five working days of the close of the hearing. The commissioner of public safety must issue a final order within five working days of the issuance of the recommendations of the administrative law judge.

Subd. 7. [OTHER POWERS.] Nothing in this chapter limits the authority of the director to exercise any other power specified under chapter 240, 349, or 349A.

Subd. 8. [RULEMAKING.] The commissioner of public safety may adopt rules under chapter 14 to carry out the director's duties under this chapter.

Sec. 5. [299K.05] [CONFLICT OF INTEREST.]

Subdivision 1. [INTEREST.] The commissioner of public safety, the director, and any person employed by the division of inspection and enforcement may not hold a Class C license issued by the racing commission or have a direct or indirect financial interest in:

- (1) a class A or B licensee of the racing commission;
- (2) a lottery retailer under contract with the state lottery;
- (3) a person who is under a major procurement contract with the state lottery; or
- (4) a bingo hall, manufacturer, or distributor licensed under chapter 349.

Subd. 2. [CHARITABLE GAMBLING.] The director or an employee of the division may not participate in the conducting of lawful gambling under chapter 349.

Sec. 6. [299K.06] [GAMBLING VIOLATIONS; RESTRICTIONS ON FURTHER ACTIVITY.]

An owner of an establishment is prohibited from having lawful gambling under chapter 349 conducted on the premises, selling any lottery tickets under chapter 349A, or having a video game of chance as defined under section 349.50 located on the premises, if a person was convicted of violating section 609.76, subdivision 1, clause (7); 609.76, subdivision 2; or any provision of chapter 349, for an activity occurring on the owner's premises.

Sec. 7. Minnesota Statutes 1988, section 609.76, subdivision 1, is amended to read:

Subdivision 1. [GROSS MISDEMEANORS.] Whoever does any of the following may be sentenced to imprisonment for not more than one year or to payment of a fine of not more than \$3,000, or both:

- (1) maintains or operates a gambling place or operates a bucket shop;
- (2) intentionally participates in the income of a gambling place or bucket shop;
- (3) conducts a lottery, or, with intent to conduct a lottery, possesses facilities for doing so;
- (4) sets up for use for the purpose of gambling, or collects the proceeds of, any gambling device or bucket shop;

(5) with intent that it shall be so used, manufactures, sells or offers for sale, in whole or any part thereof, any gambling device including those defined in section 349.30, subdivision 2, and any facility for conducting a lottery, except as provided by section 349.40;
or

(6) receives, records, or forwards bets or offers to bet or, with intent to receive, record, or forward bets or offers to bet, possesses facilities to do so; or

(7) pays any compensation for game credits earned on or otherwise rewards players of video games of chance as defined under section 349.50, subdivision 8.

Sec. 8. Minnesota Statutes 1988, section 626.05, subdivision 2, is amended to read:

Subd. 2. The term "peace officer" as used in sections 626.04 to 626.17 means a sheriff, deputy sheriff, police officer, constable, agent of the bureau of criminal apprehension, agent of the division of inspection and enforcement, or University of Minnesota peace officer.

Sec. 9. Minnesota Statutes 1988, section 626.13, is amended to read:

626.13 [SERVICE, PERSONS MAKING.]

A search warrant may in all cases be served by any of the officers mentioned in its directions, but by no other person, except in aid of the officer on the officer's requiring it, the officer being present and acting in its execution. If the warrant is to be served by an agent of the bureau of criminal apprehension or an agent of the division of inspection and enforcement, the agent shall notify the chief of police of an organized full-time police department of the municipality or, if there is no such local chief of police, the sheriff or a deputy sheriff of the county in which service is to be made prior to execution.

Sec. 10. [EFFECTIVE DATE.]

Sections 1 to 6, 8, and 9 are effective July 1, 1989. Section 7 is effective July 1, 1989, and applies to crimes committed on or after that date.

ARTICLE 6

MISCELLANEOUS

Section 1. Minnesota Statutes 1988, section 10A.01, subdivision 18, is amended to read:

Subd. 18. "Public official" means any:

- (a) member of the legislature;
- (b) constitutional officer in the executive branch and the officer's chief administrative deputy;
- (c) member, chief administrative officer or deputy chief administrative officer of a state board or commission which has at least one of the following powers: (i) the power to adopt, amend or repeal rules, or (ii) the power to adjudicate contested cases or appeals;
- (d) commissioner, deputy commissioner or assistant commissioner of any state department as designated pursuant to section 15.01;
- (e) individual employed in the executive branch who is authorized to adopt, amend or repeal rules or adjudicate contested cases;
- (f) executive director of the state board of investment;
- (g) executive director of the Indian affairs intertribal board;
- (h) commissioner of the iron range resources and rehabilitation board;
- (i) director of mediation services;
- (j) deputy of any official listed in clauses (e) to (i);
- (k) judge of the workers' compensation court of appeals;
- (l) administrative law judge or compensation judge in the state office of administrative hearings or hearing examiner in the department of jobs and training;
- (m) solicitor general or deputy, assistant or special assistant attorney general;
- (n) individual employed by the legislature as secretary of the senate, legislative auditor, chief clerk of the house, revisor of statutes, or researcher or attorney in the office of senate research, senate counsel, or house research; or
- (o) member or chief administrative officer of the metropolitan council, regional transit board, metropolitan transit commission, metropolitan waste control commission, metropolitan parks and open spaces commission, metropolitan airports commission or metropolitan sports facilities commission;

(p) the commissioner of gaming and director of each division in the department of gaming; or

(q) director of the division of inspection and enforcement in the department of public safety.

Sec. 2. Minnesota Statutes 1988, section 10A.09, subdivision 1, is amended to read:

Subdivision 1. [TIME FOR FILING.] Except for a candidate for elective office in the judicial branch, an individual shall file a statement of economic interest with the board:

(a) Within 60 days of accepting employment as a public official;

(b) Within 14 days after filing an affidavit of candidacy or petition to appear on the ballot for an elective public office;

(c) In the case of a public official requiring the advice and consent of the senate, within 14 days after undertaking the duties of office; or

(d) In the case of members of the Minnesota racing commission, ~~and its executive secretary, the director of the division of pari-mutuel racing of the department of gaming, chief of security, medical officer, inspector of pari-mutuels and stewards employed or approved by the commission or persons who fulfill those duties under contract,~~ within 60 days of accepting or assuming duties.

Sec. 3. Minnesota Statutes 1988, section 15A.081, subdivision 1, is amended to read:

Subdivision 1. [SALARY RANGES.] The governor shall set the salary rate within the ranges listed below for positions specified in this subdivision, upon approval of the legislative commission on employee relations and the legislature as provided by section 43A.18, subdivisions 2 and 5:

Salary Range

Effective

July 1, 1987

\$57,500-\$78,500

Commissioner of finance;
Commissioner of education;
Commissioner of transportation;
Commissioner of human services;
Commissioner of revenue;

Commissioner of public safety;
Executive director, state board of investment;
Commissioner of gaming;
Director of the state lottery;

\$50,000-\$67,500

Commissioner of administration;
 Commissioner of agriculture;
 Commissioner of commerce;
 Commissioner of corrections;
 Commissioner of jobs and training;
 Commissioner of employee relations;
 Commissioner of health;
 Commissioner of labor and industry;
 Commissioner of natural resources;
 Commissioner of public safety;
 Commissioner of trade and economic development;
 Chair, waste management board;
 Chief administrative law judge; office of
 administrative hearings;
 Commissioner, pollution control agency;
 Commissioner, state planning agency;
 Executive director, housing finance agency;
 Executive director, public employees retirement association;
 Executive director, teacher's retirement association;
 Executive director, state retirement system;
 Chair, metropolitan council;
 Chair, regional transit board;

\$42,500-\$60,000

Commissioner of human rights;
 Commissioner, department of public service;
 Commissioner of veterans' affairs;
 Commissioner, bureau of mediation services;
 Commissioner, public utilities commission;
 Member, transportation regulation board;
 Ombudsman for corrections;
 Ombudsman for mental health and retardation.

Sec. 4. Minnesota Statutes 1988, section 43A.08, subdivision 1a, is amended to read:

Subd. 1a. [ADDITIONAL UNCLASSIFIED POSITIONS.] Appointing authorities for the following agencies may designate additional unclassified positions according to this subdivision: the departments of administration; agriculture; commerce; corrections; jobs and training; education; employee relations; trade and economic development; finance; gaming; health; human rights; labor and industry; natural resources; office of administrative hearings; public safety; public service; human services; revenue; transportation; and veterans affairs; the housing finance, state planning, and pollution control agencies; the state board of investment; the waste manage-

ment board; the offices of the secretary of state, state auditor, and state treasurer; the state board of vocational technical education; the school and resource center for the arts; and the Minnesota zoological board.

A position designated by an appointing authority according to this subdivision must meet the following standards and criteria:

(1) the designation of the position would not be contrary to other law relating specifically to that agency;

(2) the person occupying the position would report directly to the agency head or deputy agency head and would be designated as part of the agency head's management team;

(3) the duties of the position would involve significant discretion and substantial involvement in the development, interpretation, and implementation of agency policy;

(4) the duties of the position would not require primarily personnel, accounting, or other technical expertise where continuity in the position would be important;

(5) there would be a need for the person occupying the position to be accountable to, loyal to, and compatible with the governor and the agency head, or the employing constitutional officer;

(6) the position would be at the level of division or bureau director or assistant to the agency head; and

(7) the commissioner has approved the designation as being consistent with the standards and criteria in this subdivision.

Sec. 5. Minnesota Statutes 1988, section 340A.410, subdivision 5, is amended to read:

Subd. 5. [GAMBLING PROHIBITED.] (a) No retail establishment licensed to sell alcoholic beverages may keep, possess, or operate, or permit the keeping, possession, or operation on the licensed premises of dice or any gambling device as defined in section 349.30, or permit gambling therein except as provided in this subdivision.

(b) Gambling equipment may be kept or operated and raffles conducted on licensed premises and adjoining rooms when the use of the gambling equipment is authorized under chapter 349.

(c) Lottery tickets may be purchased and sold within the licensed premises as authorized by the director of the lottery under chapter 349A.

Sec. 6. Minnesota Statutes 1988, section 541.20, is amended to read:

541.20 [RECOVERY OF MONEY LOST.]

Every person who, by playing at cards, dice, or other game, or by betting on the hands or sides of such as are gambling, shall lose to any person so playing or betting any sum of money or any goods, and pays or delivers the same, or any part thereof, to the winner, may sue for and recover such money by a civil action, before any court of competent jurisdiction. For purposes of this section, gambling shall not include pari-mutuel wagering conducted under a license issued pursuant to chapter 240, purchase or sale of tickets in the state lottery, or gambling authorized under ~~chapter~~ chapters 349A and 349.

Sec. 7. Minnesota Statutes 1988, section 541.21, is amended to read:

541.21 [COMMITMENTS FOR GAMBLING DEBT VOID.]

Every note, bill, bond, mortgage, or other security or conveyance in which the whole or any part of the consideration shall be for any money or goods won by gambling or playing at cards, dice, or any other game whatever, or by betting on the sides or hands of any person gambling, or for reimbursing or repaying any money knowingly lent or advanced at the time and place of such gambling or betting, or lent and advanced for any gambling or betting to any persons so gambling or betting, shall be void and of no effect as between the parties to the same, and as to all persons except such as hold or claim under them in good faith, without notice of the illegality of the consideration of such contract or conveyance. The provisions of this section shall not apply to pari-mutuel wagering conducted under a license issued pursuant to ~~chapter~~ chapters 240 and 349 or purchase of tickets in the state lottery under chapter 349A.

Sec. 8. Minnesota Statutes 1988, section 609.75, subdivision 3, is amended to read:

Subd. 3. [WHAT ARE NOT BETS.] The following are not bets:

(1) A contract to insure, indemnify, guarantee or otherwise compensate another for a harm or loss sustained, even though the loss depends upon chance.

(2) A contract for the purchase or sale at a future date of securities or other commodities.

(3) Offers of purses, prizes or premiums to the actual contestants

in any bona fide contest for the determination of skill, speed, strength, endurance, or quality or to the bona fide owners of animals or other property entered in such a contest.

(4) The game of bingo when conducted in compliance with sections 349.11 to 349.23.

(5) A private social bet not part of or incidental to organized, commercialized, or systematic gambling.

(6) The operation of equipment or the conduct of a raffle under sections 349.11 to 349.22, by an organization licensed by the charitable gambling control board or an organization exempt from licensing under section 349.214.

(7) Pari-mutuel betting on horse racing when the betting is conducted under chapter 240.

(8) The purchase and sale of state lottery tickets under chapter 349A.

Sec. 9. Minnesota Statutes 1988, section 609.761, is amended to read:

609.761 [OPERATIONS PERMITTED.]

Subdivision 1. [LAWFUL GAMBLING.] Notwithstanding sections 609.755 and 609.76, an organization may conduct lawful gambling as defined in section 349.12, if authorized under chapter 349, and a person may manufacture, sell, or offer for sale a gambling device to an organization authorized under chapter 349 to conduct lawful gambling, and pari-mutuel betting on horse racing may be conducted under chapter 240.

Subd. 2. [STATE LOTTERY.] Sections 609.755 and 609.76 do not prohibit the operation of the state lottery or the sale, possession, or purchase of tickets for the state lottery under chapter 349A.

Sec. 10. Minnesota Statutes 1988, section 626.84, subdivision 1, is amended to read:

Subdivision 1. [DEFINITIONS.] For purposes of sections 626.84 to 626.863, the following terms have the meanings given them:

(a) "Board" means the board of peace officer standards and training.

(b) "Director" means the executive director of the board.

(c) "Peace officer" means an employee or an elected or appointed official of a political subdivision or law enforcement agency who is licensed by the board, charged with the prevention and detection of crime and the enforcement of the general criminal laws of the state and who has the full power of arrest, and shall also include the Minnesota state patrol, agents of the division of inspection and enforcement, and state conservation officers.

(d) "Constable" has the meaning assigned to it in section 367.40.

(e) "Deputy constable" has the meaning assigned to it in section 367.40.

(f) "Part-time peace officer" means an individual licensed by the board whose services are utilized by law enforcement agencies no more than an average of 20 hours per week, not including time spent on call when no call to active duty is received, calculated on an annual basis, who has either full powers of arrest or authorization to carry a firearm while on active duty. The term shall apply even though the individual receives no compensation for time spent on active duty, and shall apply irrespective of the title conferred upon the individual by any law enforcement agency. The limitation on the average number of hours in which the services of a part-time peace officer may be utilized shall not apply to a part-time peace officer who has formally notified the board pursuant to rules adopted by the board of the part-time peace officer's intention to pursue the specialized training for part-time peace officers who desire to become peace officers pursuant to sections 626.843, subdivision 1, clause (g) and 626.845, subdivision 1, clause (g).

(g) "Reserve officer" means an individual whose services are utilized by a law enforcement agency to provide supplementary assistance at special events, traffic or crowd control, and administrative or clerical assistance. A reserve officer's duties do not include enforcement of the general criminal laws of the state, and the officer does not have full powers of arrest or authorization to carry a firearm on duty.

(h) "Law enforcement agency" means a unit of state or local government that is authorized by law to grant full powers of arrest and to charge a person with the duties of preventing and detecting crime and enforcing the general criminal laws of the state.

Sec. 11. [EFFECTIVE DATE.]

Sections 1 to 10 are effective the day following final enactment, except that the provisions of section 3 relating to the commissioner of public safety are effective July 1, 1989.

ARTICLE 7
APPROPRIATIONS

Section 1. [DEPARTMENT OF GAMING.]

(a) \$384,000 is appropriated from the general fund to the commissioner of gaming for the purposes of carrying out article 4. Of this amount \$14,000 is from the general fund for the fiscal year ending June 30, 1989, \$182,000 is from the general fund for the fiscal year ending June 30, 1990, and \$188,000 is from the general fund for the fiscal year ending June 30, 1991. The director of the state lottery shall by June 30, 1990, transfer from the lottery operations fund to the general fund in addition to any other transfers required by law \$188,000 to reimburse the general fund for the appropriation to the commissioner for fiscal year 1991. If the appropriation in either year of the 1990-1991 biennium is insufficient the appropriation for the other year is available.

(b) The approved complement of the department, in addition to the complements established by law for each of its divisions, is three positions.

Sec. 2. [LOTTERY DIVISION.]

\$8,500,000 is appropriated from the general fund to the director of the division of state lottery for the purposes of article 3. This appropriation must be repaid from the state lottery fund, with interest at the average monthly rate on invested treasurer's cash, not later than June 30, 1990.

Sec. 3. [CHARITABLE GAMBLING CONTROL.]

(a) The 13 positions relating to the responsibility for processing license applications under Minnesota Statutes, chapter 349, are transferred from the commissioner of revenue to the division of charitable gambling control under Minnesota Statutes, section 15.039.

(b) The commissioner of finance shall transfer to the division of charitable gambling control, from the appropriations made by law to the commissioner of revenue for the 1990-1991 biennium for charitable gambling activities, amounts necessary for the board to carry out the responsibilities of Minnesota Statutes, section 349.11 to 349.23.

(c) Reorganization order no. 152 of the commissioner of administration is void.

Sec. 4. [PARI-MUTUEL RACING.]

(a) The amounts appropriated by law to the Minnesota racing commission for the fiscal years 1990 and 1991 are transferred to the commissioner of gaming for the purposes of carrying out the duties assigned to the division of pari-mutuel racing in article 1.

(b) The authorized complement of the Minnesota racing commission is transferred to the division of pari-mutuel racing.

Sec. 5. [DEPARTMENT OF PUBLIC SAFETY.]

(a) The two positions relating to the responsibility for auditing and investigation of charitable gambling under Minnesota Statutes, chapter 349, except for the responsibility for auditing tax returns are transferred from the commissioner of revenue to the commissioner of public safety under Minnesota Statutes, section 15.039.

(b) \$568,000 is appropriated from the general fund to the commissioner of public safety to implement article 5, sections 1 to 5. \$193,000 is for the fiscal year ending June 30, 1990, and \$375,000 is for the fiscal year ending June 30, 1991. The approved complement of the department of public safety is increased by five positions in the fiscal year ending June 30, 1990, and by an additional five positions in the fiscal year ending June 30, 1991. Three of the five additional positions in the fiscal year ending June 30, 1991, and six of the ten additional positions in the fiscal year ending June 30, 1991, must be used to employ persons who are licensed under Minnesota Statutes, sections 626.84 to 626.863.

Sec. 6. [EFFECTIVE DATE.]

Sections 1 and 2 are effective the day following final enactment. Sections 3 to 5 are effective July 1, 1989.

ARTICLE 8

COMPULSIVE GAMBLING

Section 1. [245.98] [COMPULSIVE GAMBLING TREATMENT PROGRAM.]

Subdivision 1. [DEFINITION.] For the purposes of this section, "compulsive gambler" means a person who is chronically and progressively preoccupied with gambling and with the urge to gamble to the extent that the gambling behavior compromises, disrupts, or damages personal, family, or vocational pursuits.

Subd. 2. [PROGRAM.] The commissioner of human services shall establish a program for the treatment of compulsive gamblers. The commissioner may contract with a nonprofit entity with expertise regarding the treatment of compulsive gambling to operate the

program. The program may include the establishment of a statewide toll-free number, resource library, public education programs; regional in-service training programs and conferences for health care professionals, educators, treatment providers, employee assistance programs, and criminal justice representatives; and the establishment of certification standards for programs and service providers. The commissioner may enter into agreements with other governmental or nonprofit entities and may employ or contract with consultants to facilitate the provision of these services or the training of individuals to qualify them to provide these services. The program may also include inpatient and outpatient treatment and rehabilitation services and research studies. The research studies must include baseline and prevalence studies for adolescents and adults to identify those at the highest risk. The program must be approved by the commissioner before it is established, as an expense of the state lottery and deducted from the gross receipts of the lottery prior to determination of net proceeds.

Subd. 3. [REPORT.] The commissioner must report annually to the legislature by January 15 of each year of the manner in which the program to treat and prevent compulsive gamblers is being implemented.

Subd. 4. [APPROPRIATION.] \$300,000 in fiscal year 1990 and \$300,000 in fiscal year 1991 is appropriated from the general fund to the commissioner of human services to implement the compulsive gambling treatment program under this section.

\$100,000 in fiscal year 1990 and \$100,000 in fiscal year 1991 must be subtracted from the amount that would otherwise be deposited in the lottery operations fund and shall be deposited in the general fund for the costs incurred for the compulsive gambling program under this section.

Sec. 2. [EFFECTIVE DATE.]

Section 1 is effective July 1, 1989."

Renumber the sections in sequence

Correct internal references

Amend the title accordingly

With the recommendation that when so amended the bill pass.

The report was adopted.

Anderson, G., from the Committee on Appropriations to which was referred:

H. F. No. 189, A bill for an act relating to appropriations; appropriating money for the Minnesota AeroSpace Exploratorium.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. [APPROPRIATIONS; GEORGE "PINKY" NELSON SPACE CENTER.]

\$50,000 in fiscal year 1990 is appropriated from the general fund to the commissioner of administration for a grant to Kandiyohi county for the development of the George "Pinky" Nelson space center. The grant must be matched with at least an equal amount of nonstate money. The commissioner of finance shall verify that the grant money has been matched prior to the release of the grant money to the county.

The purpose of the George "Pinky" Nelson space center is to provide a learning center containing exhibits and providing programs about Minnesota's involvement in America's space endeavors."

Amend the title as follows:

Page 1, delete line 3, and insert "a grant to Kandiyohi county for the George "Pinky" Nelson space center."

With the recommendation that when so amended the bill pass.

The report was adopted.

Anderson, G., from the Committee on Appropriations to which was referred:

H. F. No. 535, A bill for an act relating to housing; authorizing the establishment of affordable housing programs under the administration of the Minnesota housing finance agency; establishing a neighborhood preservation program; revising certain tenant damage provisions in landlord-tenant actions; regulating tenant screening services; establishing a housing consolidated calendar project; providing for rent escrow systems; providing for building repair fines; establishing a rental to homeownership conversion program; changing the youth employment and housing program from a design

phase to an implementation phase; establishing a targeted neighborhood revitalization and financing program; revising the Minneapolis acquisition and rehabilitation loan and grant program; establishing the St. Paul housing acquisition and rehabilitation loan and grant program; establishing a fair housing education and public information program; expanding the homesharing program; requiring housing impact statements; revising certain housing receivership provisions; changing notice and redemption provisions for certain types of properties; imposing penalties; appropriating money; amending Minnesota Statutes 1988, sections 268.361, subdivision 4, and by adding a subdivision; 268.362; 268.364; 268.365; 268.366; 268.367; 282.01, subdivision 1; 462A.05, subdivisions 24, 27, and by adding subdivisions; 462A.21, subdivisions 4k, 8, 12, and by adding subdivisions; 462C.02, by adding subdivisions; 462C.05, by adding a subdivision; 463.15, subdivisions 3 and 4; 463.21; 469.007; 469.012, subdivision 1; 504.255; 504.26; 566.175, subdivision 1; 566.29, subdivisions 1, 4, and by adding subdivisions; 580.031; 580.23, by adding a subdivision; and Laws 1974, chapter 285, sections 1, 2, 3, 4, and by adding a section; proposing coding for new law in Minnesota Statutes, chapters 256; 268; 363; 462A; 462C; 469; 471; 504 and 566; repealing Laws 1987, chapter 386, article 6, sections 4, 5, 6, 7, 8, 9, 10, and 11, and chapter 384, article 3, section 22.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"ARTICLE 1

AFFORDABLE HOUSING PROGRAMS

Section 1. Minnesota Statutes 1988, section 462A.05, is amended by adding a subdivision to read:

Subd. 14c. [NEIGHBORHOOD PRESERVATION.] It may agree or enter commitments to purchase, make, or participate in making loans described in subdivision 14 for programs approved by the agency for the preservation of designated neighborhoods. To achieve the policy of economic integration stated in section 462A.02, subdivision 6, the programs may authorize loans to borrowers having ownership interests in properties in the neighborhood who are not eligible mortgagors as defined in section 462A.03, subdivision 13. The aggregate original principal balances of noneligible mortgagor loans in a neighborhood benefiting from financing under this subdivision must not exceed 25 percent of the total amount of neighborhood preservation loan funds allocated to the neighborhood under the program.

Sec. 2. Minnesota Statutes 1988, section 462A.05, subdivision 27, is amended to read:

Subd. 27. The agency, or the corporations referred to in subdivision 26, may acquire property or property interests under subdivisions 25 and 26 and section 462A.06, subdivision 7, for the following purposes: (1) to protect a loan or grant in which the agency or corporation has an interest; or (2) to preserve for the use of low- and moderate-income persons or families multifamily housing, ~~previously financed by the agency, which was~~ (a) previously financed by the agency, or (b) not financed by the agency but is benefited by federal housing assistance payments or other rental subsidy or interest reduction contracts. Property or property interests acquired for the purpose specified in clause (1) may be acquired by foreclosure, deed in lieu of foreclosure, or otherwise.

Multifamily property acquired as provided in clause (2) must be managed on a fee basis by an entity other than the agency or corporation. The agency or corporation may manage the property on a temporary basis until an agreement is entered into with another entity to manage the property. The agency or corporation shall make the property available for sale at a purchase price and on terms that are mutually agreeable to the parties.

Sec. 3. Minnesota Statutes 1988, section 462A.05, is amended by adding a subdivision to read:

Subd. 30. [HOME EQUITY CONVERSION LOANS.] The agency may make or purchase home equity conversion loans for low- or moderate-income elderly homeowners. Loan recipients must be at least 62 years of age, have substantial equity in their home, and have an income at or below 50 percent of the area median income. The agency must inform program participants of available home equity conversion loan counseling services before making a loan.

Sec. 4. Minnesota Statutes 1988, section 462A.21, subdivision 4k, is amended to read:

Subd. 4k. [HOUSING DEVELOPMENT FUND.] The agency may make grants for residential housing for low-income persons under section 462A.05, subdivision 28, ~~from funds specifically appropriated by the legislature for that purpose~~ and may pay the costs and expenses for the development and operation of the program.

Sec. 5. Minnesota Statutes 1988, section 462A.21, is amended by adding a subdivision to read:

Subd. 8b. [FAMILY RENTAL HOUSING.] It may establish a family rental housing assistance program to provide loans or direct rental subsidies for housing for families with incomes of up to 60

percent of area median income. Priority must be given to those developments with resident families with the lowest income. The development may be financed by the agency or other public or private lenders. Direct rental subsidies must be administered by the agency for the benefit of eligible families. Financial assistance provided under this subdivision to recipients of aid to families with dependent children must be in the form of vendor payments whenever possible. Loans and direct rental subsidies under this subdivision may be made only with specific appropriations made for the purposes of this subdivision.

Sec. 6. Minnesota Statutes 1988, section 462A.21, is amended by adding a subdivision to read:

Subd. 8c. [RENTAL HOUSING FOR INDIVIDUALS.] It may establish a rental housing assistance program for persons of low-income or with a mental illness to provide loans or direct rental subsidies for housing for individuals with incomes of up to 25 percent of area median income. Priority must be given to developments with the lowest income residents. Housing for the mentally ill must be operated in coordination with social service providers who provide services to tenants. The developments may be financed by the agency or other public or private entities. Direct rental subsidies must be administered by the agency for the benefit of eligible tenants. Financial assistance under this subdivision must be in the form of vendor payment whenever possible. Loans and direct rental subsidies under this subdivision may be made only with specific appropriations made for the purposes of this subdivision.

Sec. 7. Minnesota Statutes 1988, section 462A.21, subdivision 12, is amended to read:

Subd. 12. [TEMPORARY HOUSING.] It may make loans or grants for the purpose of section 462A.05, subdivision 20, and may pay the costs and expenses necessary and incidental to the loan or grant program authorized therein. Grants pursuant to section 462A.05, subdivision 20 may be made only with specific appropriations by the legislature.

Sec. 8. Minnesota Statutes 1988, section 462A.21, is amended by adding a subdivision to read:

Subd. 12a. [PROGRAM MONEY TRANSFER.] Grants authorized under section 462A.05, subdivisions 20, 28, and 29, may be made only with specific appropriations by the legislature, but unencumbered balances of money appropriated for the purpose of loans or grants for agency programs under these subdivisions may be transferred between programs created by these subdivisions or in accordance with section 462A.20, subdivision 3.

ARTICLE 2

LANDLORD-TENANT PROVISIONS

Section 1. Minnesota Statutes 1988, section 463.21, is amended to read:

463.21 [ENFORCEMENT OF JUDGMENT.]

If a judgment is not complied with in the time prescribed, the governing body may cause the building to be repaired, razed, or removed or the hazardous condition to be removed or corrected as set forth in the judgment, or acquire the building and real estate on which the building or hazardous condition is located by eminent domain as provided in section 463.152. The cost of ~~such~~ the repairs, razing, or removal ~~shall~~ may be a lien recovered by obtaining a judgment against the owner of the real estate on which the building is located or the hazardous condition exists and or may be enforced as a lien against the real estate on which the building is located or the hazardous condition exists. The lien may be levied and collected only as a special assessment in the manner provided by Minnesota Statutes ~~1961~~, sections 429.061 to 429.081, but the assessment shall be payable in a single installment. When the building is razed or removed by the municipality, the governing body may sell the salvage and valuable materials at public auction upon three days' posted notice.

Sec. 2. Minnesota Statutes 1988, section 504.255, is amended to read:

504.255 [UNLAWFUL OUSTER OR EXCLUSION; DAMAGES.]

If a landlord, an agent, or other person acting under the landlord's direction or control, unlawfully and in bad faith removes ~~or~~ excludes, or forcibly keeps out a tenant from a residential premises, the tenant may recover from the landlord up to treble damages or \$500, whichever is greater, and reasonable attorney's fees.

Sec. 3. Minnesota Statutes 1988, section 504.26, is amended to read:

504.26 [UNLAWFUL TERMINATION OF UTILITIES.]

Except as otherwise provided in this ~~subdivision~~ section, if a landlord, an agent or other person acting under the landlord's direction or control, interrupts or causes the interruption of electricity, heat, gas, or water services to the tenant, the tenant may recover from the landlord treble damages or \$500, whichever is greater, and reasonable attorney's fees. It is a defense to any action brought under this ~~subdivision~~ section that the interruption was the result of the deliberate or negligent act or omission of a tenant or anyone

acting under the direction or control of the tenant. The tenant may recover only actual damages under this subdivision section if:

(a) the tenant has not given the landlord, an agent or other person acting under the landlord's direction or control, notice of the interruption; or

(b) the landlord, an agent or other person acting under the landlord's direction or control, after receiving notice of the interruption from the tenant and within a reasonable period of time after the interruption, taking into account the nature of the service interrupted and the effect of the interrupted service on the health, welfare and safety of the tenants, has reinstated or made a good faith effort to reinstate the service or has taken other remedial action; or

(c) the interruption was for the purpose of repairing or correcting faulty or defective equipment or protecting the health and safety of the occupants of the premises involved and the service was reinstated or a good faith effort was made to reinstate the service or other remedial action was taken by the landlord, an agent, or other person acting under the landlord's direction or control within a reasonable period of time, taking into account the nature of the defect, the nature of the service interrupted and the effect of the interrupted service on the health, welfare and safety of the tenants.

Sec. 4. [504.29] [DEFINITIONS.]

Subdivision 1. [APPLICABILITY.] The definitions in this section apply to sections 4 to 6.

Subd. 2. [OWNER.] "Owner" has the meaning given it in section 566.18, subdivision 3.

Subd. 3. [TENANT.] "Tenant" has the meaning given it in section 566.18, subdivision 2.

Subd. 4. [TENANT REPORT.] "Tenant report" means a written, oral, or other communication by a tenant screening service that includes information concerning an individual's credit worthiness, credit standing, credit capacity, character, general reputation, personal characteristics, or mode of living, and that is collected, used, or expected to be used for the purpose of making decisions relating to residential tenancies or residential tenancy applications.

Subd. 5. [TENANT SCREENING SERVICE.] "Tenant screening service" means a person or business regularly engaged in the practice of gathering, storing, or disseminating information about tenants or assembling tenant reports for monetary fees, dues, or on a cooperative nonprofit basis.

Sec. 5. [504.30] [TENANT REPORTS; DISCLOSURE AND CORRECTIONS.]

Subdivision 1. [DISCLOSURES REQUIRED.] Upon request and proper identification, a tenant screening service must disclose the following information to an individual:

(1) the nature and substance of all information in its files on the individual at the time of the request; and

(2) the sources of the information.

A tenant screening service shall make the disclosures to an individual without charge if information in a tenant report has been used within the past 30 days to deny a rental or increase the security deposit or rent of a residential housing unit to the individual. If the tenant report has not been used to deny the rent or increase the rent or security deposit of a residential housing unit within the past 30 days, the tenant screening service may impose a reasonable charge for making the disclosure required under this section. The charge shall be indicated to the individual prior to furnishing the information and shall not exceed the charge that the tenant screening service would impose on each designated recipient for a tenant report, except that no charge may be made for notifying such persons of the deletion of information which is found to be inaccurate or which can no longer be verified.

Subd. 2. [CORRECTIONS.] If the completeness or accuracy of an item of information contained in an individual's file is disputed by the individual, the tenant screening service shall reinvestigate and record the current status of the information. If the information is found to be inaccurate or can no longer be verified, the tenant screening service shall delete the information from the individual's file and tenant report. At the request of the individual, the tenant screening service shall give notification of the deletions to persons who have received the tenant report within the past six months.

Subd. 3. [EXPLANATIONS.] The tenant screening service shall permit an individual to explain any disputed item in a tenant report not resolved by a reinvestigation. The explanation must be included in the tenant report. The tenant screening service may limit the explanation to no more than 100 words.

Subd. 4. [COURT FILE INFORMATION.] If a tenant screening service includes information from a court file on an individual in a tenant report, the outcome of the court proceeding must be accurately recorded in the tenant report, unless the outcome is not provided by the court. Whenever the court supplies information from a court file on an individual, in whatever form, the court shall include information on the outcome of the court proceeding when it is available. The tenant screening service is not liable under section

6 with respect to court file information if the tenant screening service reports complete and accurate information as provided by the court.

Subd. 5. [INFORMATION TO TENANT.] If the owner uses information in a tenant report to deny the rental or increase the security deposit or rent of a residential housing unit, the owner shall inform the prospective tenant of the name and address of the tenant screening service that provided the tenant report.

Sec. 6. [504.31] [TENANT REPORT; REMEDIES.]

The remedies provided in section 8.31 apply to a violation of section 5. A tenant screening service or owner in compliance with the provisions of the Fair Credit Reporting Act, United States Code, title 15, section 1681, et. seq., is considered to be in compliance with section 5.

Sec. 7. [504.32] [NOTICE REQUIREMENT.]

Subdivision 1. [DEFINITIONS.] The definitions of "owner" and "tenant" in section 566.18 apply to this section.

Subd. 2. [NOTICE.] The owner of federally subsidized rental housing shall give tenants a one-year written notice under the following conditions:

- (1) a federal Section 8 contract will expire;
- (2) the owner will exercise the option to terminate or not renew a federal Section 8 contract and mortgage;
- (3) the owner will prepay a mortgage and the prepayment will result in the termination of any federal use restrictions that apply to the housing; or
- (4) the owner will terminate a housing subsidy program.

The notice shall be provided at the commencement of the lease if the lease commences less than one year before any of the above conditions apply.

Sec. 8. Minnesota Statutes 1988, section 566.29, subdivision 1, is amended to read:

Subdivision 1. [ADMINISTRATOR.] The administrator may be any person, other than an owner of the building, local government unit or agency, the inspector, the complaining tenant or any person living in the complaining tenant's dwelling unit. If a state, or court, or local agency is authorized by statute, ordinance or regulation to

provide persons to act as administrators under this section, the court may appoint such persons as administrators to the extent they are available.

Sec. 9. Minnesota Statutes 1988, section 566.29, subdivision 4, is amended to read:

Subd. 4. [POWERS.] The administrator ~~shall be empowered is~~ authorized to:

(a) Collect rents from tenants and commercial tenants, evict tenants and commercial tenants for nonpayment of rent or other cause, rent vacant dwelling units on a month to month basis, rent vacant commercial units with the consent of the owner and exercise all other powers necessary and appropriate to carry out the purposes of Laws 1973, chapter 611;

(b) Contract for the reasonable cost of materials, labor and services necessary to remedy the violation or violations found by the court to exist and for the rehabilitation of the property in order to maintain safe and habitable conditions over the useful life of the property, and make disbursements for payment therefor from funds available for the purpose;

(c) Provide any services to the tenants which the owner is obligated to provide but refuses or fails to provide, and pay for them from funds available for the purpose;

(d) Petition the court, after notice to the parties, for an order allowing the administrator to encumber the premise to secure funds to the extent necessary to cover the cost of materials, labor, and services necessary to remedy the violation or violations found by the court to exist and for rehabilitation of the property in order to maintain safe and habitable conditions over the useful life of the property; and to pay for them from funds derived from the encumbrance; and

(e) Petition the court, after notice to the parties, for an order allowing the administrator to receive funds made available for this purpose by the municipality to the extent necessary to cover the cost of materials, labor, and services necessary to remedy the violation or violations found by the court to exist and for rehabilitation of the property in order to maintain safe and habitable conditions over the useful life of the property, and pay for them from funds derived from the municipal sources. The municipality shall recover disbursements by special assessment on the real estate affected, bearing interest at the rate determined by the municipality, not exceeding the rate established for finance charges for open-end credit sales under section 334.16, subdivision 1, clause (b), with the assessment, interest and any penalties to be collected the same as special

assessments made for other purposes under state statute or municipal charter.

Sec. 10. Minnesota Statutes 1988, section 566.29, is amended by adding a subdivision to read:

Subd. 6. [BUILDING REPAIRS AND SERVICES.] The administrator must first contract and pay for building repairs and services necessary to keep the building habitable before other expenses may be paid. If sufficient funds are not available for paying other expenses, such as tax and mortgage payments, after paying for necessary repairs and services, the owner is responsible for the other expenses.

Sec. 11. Minnesota Statutes 1988, section 566.29, is amended by adding a subdivision to read:

Subd. 7. [FACTORS FOR THE COURT TO CONSIDER.] In considering whether to grant the administrator funds under subdivision 4, the court shall consider factors relating to the long-term economic viability of the dwelling. Such an analysis must consider factors including, but not limited to, the causes leading to the appointment of an administrator, the repairs necessary to bring the property into code compliance, the market value of the property, and whether present and future rents will be sufficient to cover the cost of repairs or rehabilitation.

Sec. 12. Minnesota Statutes 1988, section 566.29, is amended by adding a subdivision to read:

Subd. 8. [ADMINISTRATOR'S LIABILITY.] The administrator may not be held personally liable in the performance of duties under this section except for fraud, gross negligence, misfeasance, malfeasance, or nonfeasance of office.

Sec. 13. [566.291] [RECEIVERSHIP REVOLVING LOAN FUND.]

The Minnesota housing finance agency may establish a revolving loan fund to pay the administrative expenses of receivership administrators under section 566.29 for properties for occupancy by low- and moderate-income persons or families. Property owners are responsible for repaying administrative expense payments made from the fund.

Sec. 14. Minnesota Statutes 1988, section 580.04, is amended to read:

580.04 [REQUISITES OF NOTICE.]

Each notice shall specify:

(1) The name of the mortgagor and of the mortgagee, and of the assignee of the mortgage, if any, and the original principal amount secured by said mortgage;

(2) The date of the mortgage, and when and where recorded, except where the mortgage is upon registered land, in which case the notice shall state that fact, and when and where registered;

(3) The amount claimed to be due thereon, and taxes, if any, paid by the mortgagee at the date of the notice;

(4) A description of the mortgaged premises, conforming substantially to that contained in the mortgage;

(5) The time and place of sale; and

(6) The time allowed by law for redemption by the mortgagor, the mortgagor's personal representatives or assigns; and

(7) If the party foreclosing the mortgage desires to preserve its right to reduce the redemption period based on a judicial order issued under section 16 after the first publication of the notice, the notice must also state in capital letters: "THE TIME ALLOWED BY LAW FOR REDEMPTION BY THE MORTGAGOR, THE MORTGAGOR'S PERSONAL REPRESENTATIVES OR ASSIGNS, MAY BE REDUCED TO FIVE WEEKS IF, BEFORE THE FORECLOSURE SALE, THE PARTY FORECLOSING THE MORTGAGE OBTAINS A JUDICIAL ORDER ISSUED UNDER MINNESOTA STATUTES, SECTION 580.231, DETERMINING THAT THE MORTGAGED PREMISES ARE IMPROVED WITH A RESIDENTIAL DWELLING OF LESS THAN FIVE UNITS, ARE NOT PROPERTY USED IN AGRICULTURAL PRODUCTION WITHIN THE MEANING OF LAWS 1986, CHAPTER 398, SECTION 5, AND ARE ABANDONED."

Sec. 15. Minnesota Statutes 1988, section 580.12, is amended to read:

580.12 [CERTIFICATE OF SALE; RECORD; EFFECT.]

When any sale of real property is made under a power of sale contained in any mortgage, the officer shall make and deliver to the purchaser a certificate, executed in the same manner as a conveyance, containing:

(1) A description of the mortgage;

(2) A description of the property sold;

(3) The price paid for each parcel sold;

(4) The time and place of the sale, and the name of the purchaser; and

(5) The time allowed by law for redemption. The, provided that if the redemption period stated in the certificate is five weeks and a longer redemption period was stated in the published notice of foreclosure sale, the certificate must also contain a certified copy of the court order, issued under section 16, authorizing reduction of the redemption period to five weeks.

A certificate which states a five-week redemption period must be recorded within ten days after the sale; any other certificate shall must be recorded within 20 days after such the sale, and. When so recorded, upon expiration of the time for redemption, shall operate as a conveyance to the purchaser or the purchaser's assignee of all the right, title, and interest of the mortgagor in and to the premises named therein at the date of such mortgage, without any other conveyance.

Sec. 16. [580.231] [FIVE-WEEK REDEMPTION PERIOD FOR CERTAIN ABANDONED PROPERTIES.]

Subdivision 1. [APPLICATION.] This section applies to mortgages executed after December 31, 1989, for which there has been a monetary default existing for at least 60 days as of the date of the filing of the complaint provided for in subdivision 3. This section does not apply to mortgages where the mortgaged premises exceed ten acres in size, or are improved with a model home or a dwelling in the process of construction. This section may be applied to a foreclosure by action conducted under chapter 581 and to a foreclosure by advertisement conducted under this chapter.

Subd. 2. [BEFORE FORECLOSURE SALE.] Notwithstanding section 580.23 or 581.10, if the party foreclosing a mortgage, at any time before the foreclosure sale but not more than 30 days before the first publication of the notice of sale, obtains a court order which reduces the mortgagor's redemption period to five weeks under subdivision 6, after the mortgaged premises have been sold as provided in this chapter, the mortgagor, and the mortgagor's personal representatives or assigns, within five weeks after the sale, may redeem the mortgaged premises as provided in section 580.23, subdivision 1. If an order is obtained after the first publication of the notice of sale, the five-week redemption period applies only if the notice of sale contained the statement required by section 580.04, clause (7).

Subd. 3. [AFTER FORECLOSURE SALE.] If the holder of a sheriff's certificate of sale, at any time after the foreclosure sale, obtains a court order which reduces the mortgagor's redemption period to five weeks under subdivision 6, the period during which the mortgagor, the mortgagor's personal representatives and as-

signs, may redeem the mortgaged premises in accordance with the provisions of section 580.23, subdivision 1, is reduced to five weeks from the date the order is entered. Within ten days after the order is entered, a certified copy of the order must be filed with the office of the recorder or registrar of titles for the county in which the mortgaged premises are located, and a copy of the order must be personally served upon, or sent by certified mail to, all parties holding liens of record at the time of the foreclosure sale which were junior to the lien of the foreclosed mortgage. Affidavits of service and mailing to evidence the same is prima facie evidence of the facts stated therein and is entitled to recordation along with the certified copy of the order.

Subd. 4. [SUMMONS AND COMPLAINT.] The party foreclosing a mortgage or holding a sheriff's certificate of sale may initiate a proceeding in district court to have the mortgagor's redemption period reduced under this section. The proceeding must be initiated by the filing of a complaint, naming the mortgagor, or the mortgagor's personal representatives or assigns of record, as defendant, in district court for the county in which the mortgaged premises are located. The complaint must identify the mortgaged premises by legal description and must identify the mortgage by: (1) the names of the mortgagor and mortgagee, and any assignee of the mortgagee; (2) the date of its making; and (3) pertinent recording information. The complaint must allege that the mortgaged premises are:

(1) comprised of ten acres or less;

(2) improved with a residential dwelling consisting of less than five units, which is not a model home or a dwelling under construction;

(3) not property used in agricultural production within the meaning of Laws 1986, chapter 398, section 5; and

(4) abandoned.

The complaint must request an order reducing the mortgagor's redemption period to five weeks. When the complaint has been filed, the court shall issue a summons commanding the person or persons named in the complaint to appear before the court on a day and at a place stated in the summons. The appearance day shall be not less than 15 nor more than 25 days from the day of the issuing of the summons. A copy of the filed complaint must be attached to the summons.

Subd. 5. [SERVICE.] The summons may be served by any person not named a party to the action. The summons must be served at least seven days before the appearance day, in the manner provided for service of a summons in a civil action in the district court. If the defendant cannot be found in the county, the summons may be

served by sending a copy by certified mail to the defendant's last usual place of abode known to the plaintiff, if any, at least ten days before the appearance day. The summons must be posted in a conspicuous place on the mortgaged premises not less than seven days before the appearance day. If personal or certified mail service cannot be made on the defendant, or the defendant's last usual place of abode is unknown to the plaintiff, then the plaintiff or plaintiff's attorney may file an affidavit to that effect with the court and service by posting the summons on the mortgaged premises is sufficient.

Subd. 6. [HEARING; EVIDENCE; ORDER.] At the hearing on the summons and complaint, the court shall enter an order reducing the mortgagor's redemption period as provided in subdivision 1 or 2, as applicable, if evidence is presented supporting the allegations in the complaint and no appearance is made to oppose the relief sought. An affidavit by the sheriff or a deputy sheriff of the county in which the mortgaged premises are located, or of a building inspector, zoning administrator, housing official, or other municipal or county official having jurisdiction over the mortgaged premises, stating that the mortgaged premises are not actually occupied and further setting forth any of the following supporting facts, is prima facie evidence of abandonment:

(1) windows or entrances to the premises are boarded up or closed off, or multiple window panes are broken and unrepaired;

(2) doors to the premises are smashed through, broken off, unhinged, or continuously unlocked;

(3) gas, electric, or water service to the premises has been terminated;

(4) rubbish, trash, or debris has accumulated on the mortgaged premises;

(5) the police or sheriff's office has received at least two reports of trespassers on the premises, or of vandalism or other illegal acts being committed on the premises; or

(6) the premises are deteriorating and are either below or are in imminent danger of falling below minimum community standards for public safety and sanitation.

An affidavit of the party foreclosing the mortgage or holding the sheriff's certificate, or one of their agents or contractors, stating any of the above supporting facts, and that the affiant has changed locks on the premises under this section and that for a period of ten days no party having a legal possessory right has requested entrance to the premises, is also prima facie evidence of abandonment. Either

affidavit described above, or an affidavit from any other person having knowledge, may state facts supporting any other allegations in the complaint and is prima facie evidence of the same. Written statements of the mortgagor, the mortgagor's personal representatives or assigns, including documents of conveyance, which indicate a clear intent to abandon the premises, is conclusive evidence of abandonment. In the absence of affidavits or written statements, or if rebuttal evidence is offered by the defendant or a party lawfully claiming through the defendant, the court may consider any competent evidence, including oral testimony, concerning any allegation in the complaint. An order entered under this section must contain a legal description of the mortgaged premises.

Subd. 7. [RECORDING.] A certified copy of an order entered under this section may be recorded in the office of the county recorder or registrar of titles for the county in which the mortgaged premises are located, provided that the order contains a legal description of the mortgaged premises.

Sec. 17. Minnesota Statutes 1988, section 581.10, is amended to read:

581.10 [REDEMPTION BY MORTGAGOR, CREDITOR.]

The mortgagor, or those claiming under the mortgagor, within the time specified in section 580.23 or section 16, whichever applies, after the date of the order of confirmation, may redeem the premises sold, or any separate portion thereof, by paying the amount bid therefor, with interest thereon from the time of sale at the rate provided to be paid on the mortgage debt, not to exceed eight percent per annum, and, if no rate to be provided in the mortgage, at the rate of six percent, together with any further sum which may be payable pursuant to section 582.03. Creditors having a lien may redeem in the order and manner specified in section 580.24, but no creditor shall be entitled to redeem unless within such specified redemption period the creditor files with the court administrator notice of intention to redeem.

Sec. 18. Minnesota Statutes 1988, section 582.03, is amended to read:

582.03 [PURCHASER AT FORECLOSURE, EXECUTION, OR JUDICIAL SALE MAY PAY TAXES, ASSESSMENTS, INSURANCE PREMIUMS, OR INTEREST.]

The purchaser at any sale, upon foreclosure of mortgage or execution or at any judicial sale during the year period of redemption, may pay any taxes or assessments on which any penalty would otherwise accrue, and may pay the premium upon any policy of insurance procured in renewal of any expiring policy upon mortgaged premises, may pay any costs incurred under section 582.031,

and may, in case any interest or installment of principal upon any prior or superior mortgage, lien, or contract for deed is in default or shall become due during such year the period of redemption, pay the same, and, in all such cases, the sum so paid, with interest, shall be a part of the sum required to be paid to redeem from such sale. Such payments shall be proved by the affidavit of the purchaser or the purchaser's agent or attorney, stating the items and describing the premises, which must be filed for record with the county recorder or registrar of titles, and a copy thereof shall be furnished to the sheriff at least ten days before the expiration of the year period of redemption.

Sec. 19. [582.031] [LIMITED RIGHT OF ENTRY BY MORTGAGEE OR PURCHASER AT FORECLOSURE SALE.]

Subdivision 1. [RIGHT OF ENTRY.] If premises described in a mortgage or sheriff's certificate are vacant or unoccupied, the holder of the mortgage or sheriff's certificate or the holder's agents and contractors may enter upon the premises to protect the premises from waste, until the holder of the mortgage or sheriff's certificate receives notice that the premises are occupied. The holder of the mortgage or sheriff's certificate does not become a mortgagee in possession by taking actions authorized under this section. An affidavit of the sheriff, the holder of the mortgage or sheriff's certificate, or a person acting on behalf of the holder, describing the premises and stating that the same are vacant or unoccupied, is prima facie evidence of the facts stated in the affidavit when recorded in the office of the county recorder or the registrar of titles in the county where the premises are located.

Subd. 2. [AUTHORIZED ACTIONS.] The holder of the mortgage or sheriff's certificate may take the following actions to protect the premises from waste: install or change locks on doors and windows, board windows, and otherwise prevent or minimize damage to the premises from the elements, vandalism, trespass, or other illegal activities. If the holder of the mortgage or sheriff's certificate installs or changes locks under this section, a key to the premises must be promptly delivered to the mortgagor or any person lawfully claiming through the mortgagor, upon request.

Subd. 3. [COSTS.] All costs incurred by the holder of the mortgage to protect the premises from waste may be added to the principal balance of the mortgage. The costs may bear interest to the extent provided in the mortgage and may be added to the redemption price if the costs are incurred after a foreclosure sale. If the costs are incurred after a foreclosure sale, the purchaser at the foreclosure sale must comply with the provisions of section 582.03. The provisions of this section are in addition to, and do not limit or replace, any other rights or remedies available to holders of mortgages and sheriff's certificates, at law or under the applicable mortgage agreements.

Sec. 20. Minnesota Statutes 1988, section 582.30, subdivision 2, is amended to read:

Subd. 2. [GENERAL PROHIBITION FOR PROPERTY WITH A SIX-MONTH OR FIVE-WEEK REDEMPTION PERIOD.] A deficiency judgment is not allowed if a mortgage is foreclosed by advertisement under chapter 580, and has a redemption period of six months under section 580.23, subdivision 1 or five weeks under section 580.231.

Sec. 21. [566.35] [ESCROW OF RENT TO REMEDY VIOLATIONS.]

Subdivision 1. [DEFINITIONS.] The definitions in section 566.18, apply to this section.

Subd. 2. [ESCROW OF RENT.] If a violation exists in a building, a tenant may deposit the full amount of rent due to the owner with the court administrator using the following procedure:

(a) For a violation of section 566.18, subdivision 6, paragraph (a), the tenant may deposit with the court administrator the rent due to the owner along with a copy of the written notice of code violation provided in section 566.19, subdivision 2. The tenant may not deposit the rent or file the written notice of code violation until the time granted to make repairs has expired without satisfactory repairs being accomplished, unless the tenant alleges that the time granted is excessive.

(b) For a violation of section 566.18, subdivision 6, paragraph (b) or (c), the tenant shall give written notice to the owner specifying the violation. The notice must be delivered personally or sent to the person or place where rent is normally paid. If the violation is not corrected within 14 days, the tenant may deposit the amount of rent due to the owner with the court administrator along with an affidavit specifying the violation. The court shall provide a simplified form affidavit for use under this paragraph.

As long as proceedings are pending under this section, the tenant shall pay rent to the owner or as directed by the court and may not withhold rent in order to remedy a violation.

Subd. 3. [COUNTERCLAIM FOR POSSESSION.] The owner may file a counterclaim for possession of the premises in cases where the owner alleges that the tenant did not deposit the full amount of rent with the court administrator. The court must set the date for a hearing on the counterclaim not less than seven nor more than 14 days from the day of filing the counterclaim. If the rent escrow hearing and the hearing on the counterclaim for possession cannot be heard on the same day, the matters must be consolidated and

heard on the date scheduled for the hearing on the counterclaim. The contents of the counterclaim for possession must meet the requirements for a complaint in unlawful detainer under section 566.05. The owner must serve the counterclaim as provided in section 566.06, except that the affidavits of service or mailing may be brought to the hearing rather than filed with the court before the hearing. The court shall provide a simplified form for use under this section.

Subd. 4. [DEFENSES.] The defenses provided in section 566.23 are defenses to an action brought under this section.

Subd. 5. [FILING FEE.] The court administrator may charge a filing fee in the amount set for complaints and counterclaims in conciliation court subject to the filing of an inability to pay affidavit.

Subd. 6. [NOTICE OF HEARING.] A hearing must be held within ten to 14 days of the day a tenant deposits rent with the court administrator. If the cost of remedying the violation, as estimated by the tenant, is within the jurisdictional limit for conciliation court, the court administrator shall notify the owner and the tenant of the time and place of the hearing by first class mail. The tenant shall provide the court administrator with the owner's name and address. If the owner has disclosed a post office box as the owner's address under section 504.22, then notice of the hearing may be mailed to the post office box. If the cost of remedying the violation, as estimated by the tenant, is above the jurisdictional limit for conciliation court, the tenant shall serve the notice of hearing according to the rules of civil procedure. The notice of hearing must specify the amount the tenant has deposited with the court administrator and must inform the owner that possession of the premises will not be an issue at the hearing unless the owner files a counter claim for possession or an action under sections 566.01 to 566.17.

Subd. 7. [RELEASE OF RENT PRIOR TO HEARING.] If the tenant gives written notice to the court administrator that the code violation has been remedied, the court administrator shall release the rent to the owner and, unless the hearing has been consolidated with another action pending in housing court, shall cancel the hearing. If the tenant and the owner enter into a written agreement signed by both parties apportioning the rent between them, the court administrator shall release the rent in accordance with the written agreement and cancel the hearing.

Subd. 8. [CONSOLIDATION WITH UNLAWFUL DETAINER.] Actions under this section and actions in unlawful detainer brought under sections 566.01 to 566.17 that involve the same parties must be consolidated and heard on the date scheduled for the unlawful detainer.

Subd. 9. [HEARING.] The hearing shall be conducted by a court

without a jury. A certified copy of an inspection report meets the requirements of Rule 803(8) of the Rules of Evidence as an exception to the rule against hearsay, and meets the requirements of Rules 901 and 902 of the Rules of Evidence as to authentication.

Subd. 10. [JUDGMENT.] (a) Upon finding that a violation exists, the court may, in its discretion, do any or all of the following:

(1) order relief as provided in section 566.25, paragraph (a), (b), (d), or (e), including retroactive rent abatement;

(2) order that all or a portion of the rent in escrow be released for the purpose of remedying the violation;

(3) order that rent be deposited with the court as it becomes due to the owner or abate future rent until the owner remedies the violation; or

(4) impose fines as required in section 22.

(b) When a proceeding under this section has been consolidated with a counterclaim for possession or an action in unlawful detainer under sections 566.01 to 566.17, and the owner prevails, the tenant may redeem the tenancy as provided in section 504.02.

(c) When a proceeding under this section has been consolidated with a counterclaim for possession or an action under an unlawful detainer under sections 566.01 to 566.17 on the grounds of nonpayment, the court may not require the tenant to pay the owner's filing fee as a condition of retaining possession of the premises when the tenant has deposited with the court the full amount of money found by the court to be owing the owner.

Subd. 11. [RELEASE OF RENT AFTER HEARING.] Upon finding, after a hearing on the matter has been held, that no violation exists in the building, or that the tenant did not deposit the full amount of rent due with the court administrator, the court shall order the immediate release of the rent to the owner. Upon finding that a violation existed but was remedied between the commencement of the action and the hearing, the court may order rent abatement and shall release the rent to the parties accordingly. Any rent found owing the tenant must be released to the tenant.

Subd. 12. [RETRIBUTION; WAIVER; RIGHTS AS ADDITIONAL.] The provisions of section 566.28 apply to proceedings under this section. The tenant rights under this section may not be waived or modified and are in addition to and do not limit other rights or remedies which may be available to the tenant and owner, except as provided in subdivision 2.

Sec. 22. [566.36] [VIOLATIONS OF BUILDING REPAIR ORDERS.]

Subdivision 1. [DEFINITIONS.] The definitions in section 566.18, apply to subdivision 2.

Subd. 2. [NONCOMPLIANCE; FINES.] Upon finding an owner has failed to comply with a court order for building repairs, the court shall fine the owner according to the following schedule:

- (1) \$250 for the first violation of a court order;
- (2) \$500 for the second violation of the same court order; and
- (3) \$750 for the third and subsequent violations of the same court order.

The court must find that there has been a willful disregard of a court order before a fine may be imposed. An owner fined twice in a period of three years for failure to comply with a court order for repairs on any building owned is guilty of a gross misdemeanor for a third or subsequent violation and may be sentenced accordingly.

Subd. 3. [FINES COLLECTED.] Fines collected under this section must be paid to the state treasurer, deposited in the general fund, and credited to the general fund.

ARTICLE 3

YOUTH EMPLOYMENT AND HOUSING PROGRAM

Section 1. Minnesota Statutes 1988, section 268.361, subdivision 4, is amended to read:

Subd. 4. [ELIGIBLE ORGANIZATION.] "Eligible organization" means a public agency or a nonprofit organization that can demonstrate an ability to design implement a program for education and training services provided to targeted youth. Eligible organizations may include local jurisdictions, public school districts, private non-sectarian schools, post-secondary educational institutes, alternative schools, community groups, and labor organizations.

Sec. 2. Minnesota Statutes 1988, section 268.361, is amended by adding a subdivision to read:

Subd. 4a. [PROGRAM.] "Program" means the services and activities performed or contracted for by an eligible organization for which a grant has been received or for which a grant application has been submitted to the commissioner.

Sec. 3. Minnesota Statutes 1988, section 268.362, is amended to read:

268.362 [PLANNING GRANTS.]

The commissioner shall make grants of up to \$20,000 to eligible organizations for the design of programs to provide education and training services to targeted youth. The purpose of these programs is to provide specialized training and work experience to at-risk targeted youth who have not been served effectively by the current educational system. The programs are to be designed to include a work experience component with work projects that result in the rehabilitation or construction of residential units for the homeless. Two or more eligible organizations may jointly apply for a planning grant. The commissioner shall administer the grant program.

Interested eligible organizations must apply to the commissioner for the grants. The advisory committee must review the applications and provide to the commissioner a list of recommended eligible organizations that the advisory committee determines meet the requirements for receiving a planning grant. The commissioner shall select from the committee's list at least four organizations to receive the planning grants with at least one organization located in each of the cities of Minneapolis and St. Paul and two organizations located outside the metropolitan area defined in section 473.121, subdivision 2.

Sec. 4. Minnesota Statutes 1988, section 268.364, is amended to read:

268.364 [PROGRAM PURPOSE AND DESIGN.]

Subdivision 1. [PROGRAM PURPOSE.] The grants awarded under section 268.362 are for the design of a youth employment and training program directed at targeted youth who are likely to be at risk of not completing their high school education. Each program design must include education, work experience, and job skills components.

Subd. 2. [EDUCATION COMPONENT.] A program design must contain an education component that requires program participants who have not completed to complete their secondary education to be enrolled in a traditional public or private secondary school, a suitable alternative school setting, or a GED program. Program participants must be working toward the completion of their secondary education or literacy advancement.

Subd. 3. [WORK EXPERIENCE COMPONENT.] A work experience component must be included in each program design. The work experience component must provide vocational skills training in an

industry where there is a viable expectation of job opportunities and a training subsidy or stipend may be provided to program participants. The wage or stipend must be provided to participants who are recipients of public assistance in a manner or amount which will not reduce public assistance benefits. The work experience component must be designed so that work projects result in the expansion or improvement of residential units for homeless persons and very low income families, and must include direct supervision by individuals skilled in each specific vocation. The program design must include an examination of how Program participants may earn credits toward the completion of their secondary education from their participation in the work experience component.

Subd. 4. [JOB READINESS SKILLS COMPONENT.] A job readiness skills component must be included in each program design. The component must provide program participants with job search skills, placement assistance, and other job readiness skills to ensure that participants will be able to compete in the employment market.

Subd. 5. [ELIGIBLE PROGRAM PROVIDERS.] A program design must include the examination of the types of organizations that would administer and operate the program. The types of organizations examined must include public school districts, private nonsectarian schools, alternative schools, local jurisdictions, housing related groups, community groups, and labor organizations, or a joint effort among two or more of these organizations.

Sec. 5. Minnesota Statutes 1988, section 268.365, is amended to read:

268.365 [HOUSING FOR HOMELESS.]

Subdivision 1. [WORK PROJECT REQUIREMENT.] The work experience component of the youth employment and training program described in section 268.364 must include work projects that provide residential units through construction or, rehabilitation, or improvement for the homeless and families with very low incomes.

Subd. 2. [PRIORITY FOR HOUSING.] Any residential units that become available through the employment and training program must be allocated in the following order:

- (1) homeless families with at least one dependent;
- (2) other homeless individuals;
- (3) other very low income families and individuals; and

(4) families or individuals that receive public assistance and that do not qualify in any other priority group.

Subd. 3. [ACQUISITION OF HOUSING UNITS.] The program design must include an examination of the means of acquiring eligible organization receiving a grant under section 268.362 shall acquire property or buildings for the construction or rehabilitation of residential units at the lowest possible cost. The examination must include the review of Possible sources of property and funding through federal, state, or local agencies, including include the federal Department of Housing and Urban Development, Farmers Home Administration, Minnesota housing finance agency, and the local housing authority.

Subd. 4. [MANAGEMENT OF RESIDENTIAL UNITS.] The program design must address how to manage these residential units, including the source of financing for the maintenance costs of the buildings. Any management plan must include the participation of the residents and local established neighborhood groups.

Sec. 6. Minnesota Statutes 1988, section 268.366, is amended to read:

268.366 [REQUIREMENTS OF ORGANIZATIONS RECEIVING GRANTS.]

An organization that is awarded a planning grant under section 268.362 shall prepare and submit an annual report to the commissioner by January 15, 1989 September 1 of each year. The report must address each include a discussion of the following:

- (1) the method process used for encouraging the participation of the targeted youth in the geographic area surrounding the organization receiving the grant;
- (2) the support services and social services that targeted youth require and the means of providing those services to program participants received under the program. Services may include client needs assessment, preemployment skills such as basic job skills and behavior, and intermediate needs such as education and chemical dependency treatment;
- (3) the type and degree of work experience that program participants must participate in received, including real work experience in both vocational and nonvocational settings;
- (4) the amount of training subsidy or stipend that each participant should receive received while participating in the work experience component. The subsidy or stipend must reflect prevailing wage and benefits standards appropriate for preapprenticeship training unless a participant's receipt of public assistance is affected. The subsidy or stipend should be structured to include incentives for progress toward increasing job skills and completing secondary education;

(5) the ~~identification and~~ means of providing the necessary job readiness skills ~~so that to~~ program participants who have completed the work experience and educational components of the program ~~may have so they have~~ the ability to compete in the job market. These job search skills may include skills assessment, job search and selection, application preparation and assistance in preparing for job interviews;

(6) the methods ~~that may be~~ used to assist in placing program participants in suitable employment. The methods should include means of involving state government, businesses, labor organizations, community groups, and local jurisdictions in assisting in the placement;

(7) ~~a plan~~ the process used for evaluating the program, including the necessary data elements ~~that must be~~ collected from program participants after they have completed the program ~~to monitor for~~ monitoring the success of the program;

(8) the method used to maximize parental involvement in the program;

(9) the ~~identification~~ of existing public and private programs that ~~may be were~~ utilized by the program to avoid duplication of services;

(10) the ~~identification~~ of regional characteristics that ~~may affect~~ affected the operation of the program in the specific region where the organization is located;

(11) the ~~identification and~~ means of addressing the special needs of priority groups of targeted youth, ~~which groups may include~~ including:

(i) persons who are responsible for at least one dependent;

(ii) persons who are pregnant;

(iii) persons who are or have been subject to any stage of the criminal justice system and who may benefit from receiving employment and training services in overcoming barriers to employment resulting from a record of arrest or conviction;

(iv) persons receiving income maintenance services and social services, including chemical dependency treatment, vocational rehabilitation services, and protection services;

(v) persons who reside on a farm who personally derive or whose family derives a substantial portion of their income from farming, lack nonfarm work skills, or have limited access to vocational education or work experience opportunities;

(vi) homeless youth; and

(vii) minors who that are not financially dependent on a parent or a guardian;

(12) ~~cost estimates~~ costs for each of the components of the program; and

(13) the identification of the funding sources other than state appropriations that ~~may be~~ were used to support the program.

Sec. 7. Minnesota Statutes 1988, section 268.367, is amended to read:

268.367 [REPORT.]

The commissioner shall prepare and submit ~~a~~ an annual report to the legislature and the governor by ~~February~~ January 15, 1989 of each year, that ~~outlines the various program designs~~ summarizes the annual reports submitted by the organizations that received planning grants. The report ~~must~~ may also include recommendations on which components of the improving the program designs are most suitable to meeting to better meet the needs of targeted youth. The advisory committee must participate in the preparation of this report and in the formulation of the any recommendations.

Sec. 8. [1990 REPORT.]

The annual report for 1990 required under Minnesota Statutes, section 268.367, must include specific recommendations on whether the program should be continued on a permanent basis and, if continued, the state agency that should administer the program. In preparing this report and the recommendations, the commissioner of the state planning agency must consult with the eligible organizations receiving grants under section 9 and the advisory committee.

Sec. 9. [DEMONSTRATION GRANTS.]

Notwithstanding Minnesota Statutes, section 268.362, the commissioner of the state planning agency shall award up to three demonstration grants to eligible organizations, as defined in Minnesota Statutes, section 268.361, subdivision 4, based on criteria established in the report required under Laws 1988, chapter 686, article 3, section 7. To achieve a demonstration grant under this section, the eligible organization must match the grant money with at least an equal amount of nonstate money. The commissioner of finance must verify that the eligible organization has matched the grant money.

Sec. 10. [APPROPRIATION.]

\$200,000 is appropriated from the general fund for the biennium ending June 30, 1991, to the commissioner of the state planning agency for the demonstration grants under section 9.

ARTICLE 4
SPECIAL LAWS

Section 1. [DEFINITION.]

"City" means the city of Saint Paul and the city of Minneapolis for the purposes of sections 2 to 6.

Sec. 2. Laws 1974, chapter 285, section 1, is amended to read:

Section 1. [~~MINNEAPOLIS, CITY OF;~~ HOUSING ACQUISITION AND REHABILITATION LOAN AND GRANT PROGRAM; PURPOSE.] The legislature of the state of Minnesota finds that preservation of the quality of life in a major metropolitan city is dependent upon the preservation of adequate housing, that many houses in the ~~city~~ cities of Minneapolis and Saint Paul do not meet the applicable housing code or otherwise need rehabilitation or modernizing, that there is a need for a comprehensive housing rehabilitation program in the ~~city~~ cities of Minneapolis and Saint Paul which will complement any statewide housing rehabilitation program, that some home owners are unable to afford any rehabilitation expenses, that many home owners are unable to afford housing rehabilitation loans at market rate of interest, and that because the availability of mortgage credit for housing rehabilitation is limited some home owners cannot obtain such credit, and that reinvestment in the housing stock by rehabilitating and updating homes is necessary to maintain the stability of neighborhoods in the city. The legislature further finds that the construction of housing to replace individual dilapidated and obsolete buildings, for which rehabilitation is not economically feasible, is necessary to increase the stability and maintain the value of housing in established neighborhoods.

Sec. 3. Laws 1974, chapter 285, section 2, is amended to read:

Sec. 2. [~~CITY OF MINNEAPOLIS;~~ HOUSING REHABILITATION LOAN PROGRAM.] The city of Minneapolis is authorized to develop and administer a housing rehabilitation loan program with respect to property located anywhere within its boundaries on such terms and conditions as it determines; provided that in approving applications for ~~this~~ such a program, the following factors shall be considered:

(1) The availability of other governmental programs affordable by the applicant;

(2) The availability and affordability of private market financing;

(3) Whether the housing is required, pursuant to an urban renewal program or a code enforcement program, to be repaired, improved, or rehabilitated;

(4) Whether the housing is required, pursuant to a court order issued under Minnesota Statutes, 1973 Supplement, Section 566.25, Clauses (b), (c), and (e), to be repaired, improved, or rehabilitated;

(5) Whether the housing has been determined to be uninsurable because of physical hazards after inspection pursuant to a statewide property insurance plan approved by the United States Department of Housing and Urban Development under Title XII of the National Housing Act; and further provided that all loans and grants shall be issued primarily for rehabilitating housing so that it meets applicable housing codes.

(6) Whether rehabilitation of the housing will maintain or improve the value of the housing and will help to stabilize the neighborhood in which the housing is located.

Sec. 4. Laws 1974, chapter 285, is amended by adding a new section to read:

Sec. 2a. [NEW SINGLE FAMILY RESIDENCES.]

Any housing rehabilitation loan program undertaken under section 3 may also provide for the city to make or purchase loans made to finance the acquisition of single family residences that have been newly constructed in established neighborhoods on land owned by the city or any agency of the city. For purposes of this section, land shall be considered to be owned by the city if the city or one of its agencies previously owned the land and conveyed it to an individual under a development agreement in which the individual has agreed to construct single family housing on such land. In approving applications for a loan to be made under this section, the following factors shall be considered:

(1) the availability and affordability of other governmental programs or private market financing; and

(2) whether the construction of such housing enhances the stability of the neighborhood in which it is located.

Sec. 5. Laws 1974, chapter 285, section 3, is amended to read:

Sec. 3. [CITY OF MINNEAPOLIS; HOUSING REHABILITATION GRANT PROGRAM.] The city of Minneapolis is authorized to develop and administer a housing rehabilitation grant program with respect to property within its boundaries, on such terms and conditions as it determines; provided that in approving applications for grants under this program, all of the considerations and limitations enumerated in section 2 for loans must be considered ~~in making grants under this program~~, and the following factors must also be considered:

(1) Whether the housing unit is a single family dwelling or homesteaded unit and

(2) Whether the applicant is a person of low income; and further provided that the city council of the city of Minneapolis shall by ordinance set forth the regulations for ~~this its grant program~~; and further provided that the dollar value of grants made shall not exceed five percent of the total value of the bonds issued for the loan and grant program together, and that all grants shall be made primarily to rehabilitate housing so that it meets applicable housing codes.

Sec. 6. Laws 1974, chapter 285, section 4, is amended to read:

Sec. 4. [ISSUANCE OF BONDS.] To finance the programs authorized in sections 2, 2a, and 3 of this act, the governing body of the city of Minneapolis may by resolution authorize, issue, and sell general obligation bonds of the city of Minneapolis in accordance with the provisions of Minnesota Statutes, Chapter 475. The total amount of all bonds in a city outstanding for the programs shall not exceed ~~\$10,000,000~~ \$25,000,000. The amount of all bonds issued shall ~~not be included in the net indebtedness of the city for the purpose of any charter or statutory debt limitation.~~

Sec. 7. Laws 1987, chapter 386, article 6, section 6, subdivision 2, is amended to read:

Subd. 2. [TARGETED NEIGHBORHOOD PARTICIPATION IN REVITALIZATION PROGRAM DEVELOPMENT.] The city shall develop a process to consult the residents in the targeted neighborhood concerning the development, drafting, and implementation of the revitalization program. The process may include the establishment of an advisory board in each city. The process must include at least one public hearing in addition to a public hearing held by the advisory board. The cities of Minneapolis and Duluth must use the certification process outlined in subdivisions 3 to 7. The city of Saint Paul must use the process outlined in section 2.

Sec. 8. Laws 1987, chapter 386, article 6, section 6, is amended by adding a subdivision to read:

Subd. 8. [CITY OF SAINT PAUL APPROVAL.] (a) For the purposes of this subdivision, "city" means the city of Saint Paul.

(b) A city may approve the preliminary revitalization program developed through a process that includes the citizen participation required under subdivision 2 only after holding a public hearing. Notice of the hearing must be provided in a newspaper of general circulation in the city and in the targeted neighborhoods not less than ten days nor more than 30 days before the date of the hearing. After the public hearing and after the city has incorporated any changes into the preliminary program as a result of the public hearing, the city may approve the preliminary program and shall submit the approved preliminary program for final approval to the review board.

(c) After approval, the city shall submit the preliminary program to the commissioner and the Minnesota housing finance agency for their comments. The state agencies have 30 days to provide comments to the preliminary program. State agency comments must be submitted in writing to the review board established under paragraph (d).

(d) The city shall each establish a city urban revitalization action program review board whose purpose is to review the preliminary program submitted by the city, and approve all or portions of the program. The review board consists of two city council members who represent targeted neighborhoods, two members representing the city's business community appointed by the chamber of commerce representing businesses in the city, and three residents of targeted neighborhoods appointed by the city council. Two members of the house of representatives and one member of the state senate appointed by the city's legislative delegation shall be nonvoting members of the review board. Nonvoting legislative members of the review board shall represent targeted neighborhoods. A member of the review board who is appointed as a targeted neighborhood resident may not be a member of a formal community planning organization, an elected public official, or in any way be involved in preparing or implementing the program or any portion of the program. The review board may require the city to contract for staff assistance in reviewing and approving the program. Persons who provide staff assistance to the review board may not be city employees or in any way involved in a formal or informal organization representing residents of a targeted neighborhood. The city may use state money available under section 7 to pay for the costs of staffing the review board.

(e) The review board shall review the city's preliminary program and approve all or portions of the program. In reviewing the program, the review board shall take into account any comments submitted by state agencies under paragraph (c). The review board

may only reject the revitalization program or portions of the program for the following reasons:

(1) the revitalization program does not include the information required under subdivision 1;

(2) the city did not follow the community-based process required under subdivision 2 for developing the revitalization program; or

(3) the revitalization program results in undue concentration of targeted neighborhood money in a single proposed activity or project.

The review board may approve all of the preliminary program and submit it to the city council for certification under paragraph (f) or submit for certification only those specific portions of the program approved by the review board. If the review board does not approve a portion of the program, it shall specify in writing to the city the reasons for not approving that portion of the program and any recommendations for changes. If the review board determines that a portion of the program needs significant changes, it may require the city to implement the community participation process under subdivision 2 and state review under this subdivision for making changes to that portion of the program.

(f) The city council may, by formal resolution, certify only those portions of a program approved by the review board under paragraph (e). A certification by the city council that all or portions of a revitalization program has been approved by the review board must be provided to the commissioner together with a copy of the approved portions of the program. A copy of the approved portions of the program must be submitted to the Minnesota housing finance agency.

(g) A revitalization program may be modified at any time by the city after a public hearing and approval by the review board. Notice of the public hearing must be published in a newspaper of general circulation in the city and in the targeted neighborhoods not less than ten days nor more than 30 days before the date of the hearing. If the review board determines that the proposed modification is a significant modification to the program originally certified under paragraph (f), it must require the implementation of the revitalization program approval and certification process under this subdivision for the proposed modification.

Sec. 9. [REPEALER.]

Laws 1974, chapter 351, sections 1, 2, 3, and 4, as amended by

Laws 1975, chapter 260, section 5; and Laws 1975, chapter 260, sections 1, 2, 3, 4, and 5 are repealed.

Sec. 10. [EFFECTIVE DATE; REHABILITATION LOAN AND GRANT PROGRAM.]

Sections 1 to 9 are effective the day after enactment without local approval in accordance with Minnesota Statutes, section 645.023, subdivision 1, clause (a):

ARTICLE 5

OTHER HOUSING PROVISIONS

Section 1. Minnesota Statutes 1988, section 282.01, subdivision 1, is amended to read:

Subdivision 1. [CLASSIFICATION; USE; EXCHANGE.] It is the general policy of this state to encourage the best use of tax-forfeited lands, recognizing that some lands in public ownership should be retained and managed for public benefits while other lands should be returned to private ownership. All parcels of land becoming the property of the state in trust under the provisions of any law now existing or hereafter enacted declaring the forfeiture of lands to the state for taxes, shall be classified by the county board of the county wherein such parcels lie as conservation or nonconservation. Such classification shall be made with consideration, among other things, to the present use of adjacent lands, the productivity of the soil, the character of forest or other growth, accessibility of lands to established roads, schools, and other public services, their peculiar suitability or desirability for particular uses and the suitability of the forest resources on the land for multiple use, sustained yield management. Such classification, furthermore, shall aid: to encourage and foster a mode of land utilization that will facilitate the economical and adequate provision of transportation, roads, water supply, drainage, sanitation, education, and recreation; to facilitate reduction of governmental expenditures; to conserve and develop the natural resources; and to foster and develop agriculture and other industries in the districts and places best suited thereto.

In making such classification the county board may make use of such data and information as may be made available by any office or department of the federal, state, or local governments, or by any other person or agency possessing information pertinent thereto at the time such classification is made. Such lands may be reclassified from time to time as the county board may deem necessary or desirable, except as to conservation lands held by the state free from any trust in favor of any taxing district.

If any such lands are located within the boundaries of any

organized town, with taxable valuation in excess of \$20,000, or incorporated municipality, the classification or reclassification and sale shall first be approved by the town board of such town or the governing body of such municipality insofar as the lands located therein are concerned. The town board of the town or the governing body of the municipality will be deemed to have approved the classification or reclassification and sale if the county board is not notified of the disapproval of the classification or reclassification and sale within 90 days of the date the request for approval was transmitted to the town board of the town or governing body of the municipality. If the town board or governing body desires to acquire any parcel lying in the town or municipality by procedures authorized in this subdivision, it shall, within 90 days of the request for classification or reclassification and sale, file a written application with the county board to withhold the parcel from public sale. The county board shall then withhold the parcel from public sale for one year.

Any tax-forfeited lands may be sold by the county board to any organized or incorporated governmental subdivision of the state for any public purpose for which such subdivision is authorized to acquire property or may be released from the trust in favor of the taxing districts upon application of any state agency for any authorized use at not less than their value as determined by the county board. The commissioner of revenue shall have power to convey by deed in the name of the state any tract of tax-forfeited land held in trust in favor of the taxing districts, to any governmental subdivision for any authorized public use, provided that an application therefor shall be submitted to the commissioner with a statement of facts as to the use to be made of such tract and the need therefor and the recommendation of the county board: and provided further, that upon application of a political subdivision and the filing with the commissioner of revenue and the county board of a resolution adopted by the governing body of the political subdivision finding that the conveyance of a tract of tax-forfeited land to the political subdivision is necessary to provide for the redevelopment of land as productive taxable property, the commissioner of revenue shall convey by deed in the name of the state the tract of land to the political subdivision. The deed of conveyance shall be upon a form approved by the attorney general and shall be conditioned upon continued use for the purpose stated in the application, provided, however, that if the governing body of such governmental subdivision by resolution determines that some other public use shall be made of such lands, and such change of use is approved by the county board and an application for such change of use is made to, and approved by, the commissioner, such changed use may be made of such lands without the necessity of the governing body conveying the lands back to the state and securing a new conveyance from the state to the governmental subdivision for such new public use.

Whenever any governmental subdivision to which any tax-for-

feited land has been conveyed for a specified public use as provided in this section shall fail to put such land to such use, or to some other authorized public use as provided herein, or shall abandon such use, the governing body of the subdivision shall authorize the proper officers to convey the same, or such portion thereof not required for an authorized public use, to the state of Minnesota, and such officers shall execute a deed of such conveyance forthwith, which conveyance shall be subject to the approval of the commissioner and in form approved by the attorney general, provided, however, that a sale, lease, transfer or other conveyance of such lands by a housing and redevelopment authority, a port authority, an economic development authority, or a city as authorized by sections 469.001 to 469.047 chapter 469 shall not be an abandonment of such use and such lands shall not be reconveyed to the state nor shall they revert to the state. A certificate made by a housing and redevelopment authority, a port authority, an economic development authority, or a city referring to a conveyance by it and stating that the conveyance has been made as authorized by sections 469.001 to 469.047 chapter 469 may be filed with the county recorder or registrar of titles, and the rights of reverter in favor of the state provided by this subdivision will then terminate. No vote of the people shall be required for such conveyance. In case any such land shall not be so conveyed to the state, the commissioner of revenue shall by written instrument, in form approved by the attorney general, declare the same to have reverted to the state, and shall serve a notice thereof, with a copy of the declaration, by certified mail upon the clerk or recorder of the governmental subdivision concerned, provided, that no declaration of reversion shall be made earlier than five years from the date of conveyance for failure to put such land to such use or from the date of abandonment of such use if such lands have been put to such use. The commissioner shall file the original declaration in the commissioner's office, with verified proof of service as herein required. The governmental subdivision may appeal to the district court of the county in which the land lies by filing with the court administrator a notice of appeal, specifying the grounds of appeal and the description of the land involved, mailing a copy thereof by certified mail to the commissioner of revenue, and filing a copy thereof for record with the county recorder or registrar of titles, all within 30 days after the mailing of the notice of reversion. The appeal shall be tried by the court in like manner as a civil action. If no appeal is taken as herein provided, the declaration of reversion shall be final. The commissioner of revenue shall file for record with the county recorder or registrar of titles, of the county within which the land lies, a certified copy of the declaration of reversion and proof of service.

Any city of the first class now or hereafter having a population of 450,000, or over, or its board of park commissioners, which has acquired tax-forfeited land for a specified public use pursuant to the terms of this section, may convey said land in exchange for other land of substantially equal worth located in said city of the first

class, provided that the land conveyed to said city of the first class now or hereafter having a population of 450,000, or over, or its board of park commissioners, in exchange shall be subject to the public use and reversionary provisions of this section; the tax-forfeited land so conveyed shall thereafter be free and discharged from the public use and reversionary provisions of this section, provided that said exchange shall in no way affect the mineral or mineral rights of the state of Minnesota, if any, in the lands so exchanged.

Sec. 2. Minnesota Statutes 1988, section 462A.05, subdivision 24, is amended to read:

Subd. 24. It may engage in housing programs for low and moderate income elderly, handicapped, or developmentally disabled persons, as defined by the agency, to provide grants or loans, with or without interest, for

(1) accessibility improvements to residences occupied by elderly persons;

(2) housing sponsors, as defined by the agency, of home sharing programs to match existing elderly homeowners with prospective tenants who will contribute either rent or services to the homeowner, where either the homeowner or the prospective tenant is elderly, handicapped, or developmentally disabled;

(3) the construction of or conversion of existing buildings into structures for occupancy by the elderly that contain from three to 12 private sleeping rooms with shared cooking facilities and common space; and

(4) housing sponsors, as defined by the agency, to demonstrate the potential for home equity conversion in Minnesota for the elderly, in both rural and urban areas, and to determine the need in those equity conversions for consumer safeguards.

In making the grants or loans, the agency shall determine the terms and conditions of repayment and the appropriate security, if any, should repayment be required. The agency may provide technical assistance to sponsors of home sharing programs or may contract or delegate the provision of the technical assistance in accordance with section 462A.07, subdivision 12.

Housing sponsors who receive funding through these programs shall provide homeowners and tenants participating in a home sharing program with information regarding their rights and obligations as they relate to federal and state tax law including, but not limited to, taxable rental income, homestead credit under chapter 273, and the property tax refund act under chapter 290A.

Sec. 3. Minnesota Statutes 1988, section 462C.02, is amended by adding a subdivision to read:

Subd. 12. [LOAN.] "Loan" means:

(1) for single family housing, any loan, mortgage, or other form of owner financing; and

(2) for multifamily housing developments which are rental property, any loan, mortgage, financing lease, or revenue agreement.

Sec. 4. Minnesota Statutes 1988, section 462C.02, is amended by adding a subdivision to read:

Subd. 13. [REVENUE AGREEMENT] "Revenue agreement" has the meaning given that term in section 469.153, subdivision 10.

Sec. 5. Minnesota Statutes 1988, section 462C.05, is amended by adding a subdivision to read:

Subd. 8. [REVENUE AGREEMENT AND FINANCING LEASE.] Any revenue agreement or financing lease that includes a provision for a conveyance of real estate to the lessee or contracting party may be terminated in accordance with the revenue agreement or financing lease, notwithstanding that the revenue agreement or financing lease may constitute an equitable mortgage. No financing lease of any development shall be subject to section 504.02, unless expressly so provided in the financing lease. Leases of specific dwelling units in the development to the tenants thereof are not affected by this subdivision.

Sec. 6. Minnesota Statutes 1988, section 463.15, subdivision 3, is amended to read:

Subd. 3. [HAZARDOUS BUILDING PROPERTY.] "Real property, including any building, shall be deemed hazardous building" means any building which if the property, because of inadequate maintenance, dilapidation, physical damage, unsanitary condition, or abandonment, constitutes a fire hazard or a hazard to public safety or health.

Sec. 7. Minnesota Statutes 1988, section 463.15, subdivision 4, is amended to read:

Subd. 4. [OWNER, OWNER OF RECORD, AND LIEN HOLDER OF RECORD.] "Owner," "owner of record," and "lien holder of record" means a person having a right or interest in property to which Laws 1967, chapter 324, applies described in subdivision 3 and evidence of which is filed and recorded in the office of the county

recorder or registrar of titles in the county in which the property is situated.

Sec. 8. [465.271] [HAZARDOUS PROPERTY PENALTY.]

Any home rule charter or statutory city may assess a penalty up to one percent of the market value of real property, including any building located within the city that the city determines to be hazardous as defined in section 463.15, subdivision 3. The city shall send a written notice to the address to which the property tax statement is sent at least 90 days before it may assess the penalty. If the owner of the property has not paid the penalty and fixed the property within 90 days after receiving notice of the penalty, the penalty is considered delinquent and is increased by 25 percent each 60 days the penalty is not paid and the property remains hazardous. For the purposes of this section, a penalty that is delinquent is considered a delinquent property tax and subject to chapters 279, 280, and 281, in the same manner as delinquent property taxes.

Sec. 9. Minnesota Statutes 1988, section 469.007, is amended to read:

469.007 [POWERS OF COUNTY AND MULTICOUNTY AUTHORITIES.]

Subdivision 1. [POWERS.] A county or multicounty authority and its commissioners shall, within the area of operation of the authority, have the same functions, rights, powers, duties, privileges, immunities, and limitations as are provided for housing and redevelopment authorities created for cities, and for the commissioners of those authorities. The provisions of law applicable to housing and redevelopment authorities created for cities and their commissioners shall be applicable to county and multicounty authorities and their commissioners, except as clearly indicated otherwise.

Subd. 2. [POWERS AS TO HOUSING DEVELOPMENT PROJECTS.] When a county or multicounty authority undertakes any housing project or housing development project involving the acquisition of multifamily housing rental properties that (1) were financed under the Federal Section 8 or Section 236 programs, or (2) are designed to be affordable to persons or families with incomes not greater than 80 percent of median income for the metropolitan statistical area or nonmetropolitan county, and are located within any village, city, or township, the authority shall notify the governing body of such village, city, or township in writing of the location of such housing project or housing development project. If the governing body fails to take action on a housing project or housing development project in a writing which sets forth its reasons for such action within 30 days, the governing body shall be deemed to have approved the location of such housing project or housing development project for purposes of any special or general law

requiring local approval of the location of housing projects and housing development projects undertaken by county or multicounty authorities.

Sec. 10. Minnesota Statutes 1988, section 469.012, subdivision 1, is amended to read:

Subdivision 1. [SCHEDULE OF POWERS.] An authority shall be a public body corporate and politic and shall have all the powers necessary or convenient to carry out the purposes of sections 469.001 to 469.047, except that the power to levy and collect taxes or special assessments is limited to the power provided in sections 469.027 to 469.033. Its powers include the following powers in addition to others granted in sections 469.001 to 469.047:

(1) to sue and be sued; to have a seal, which shall be judicially noticed, and to alter it; to have perpetual succession; and to make, amend, and repeal rules consistent with sections 469.001 to 469.047;

(2) to employ an executive director, technical experts, and officers, agents, and employees, permanent and temporary, that it requires, and determine their qualifications, duties, and compensation; for legal services it requires, to call upon the chief law officer of the city or to employ its own counsel and legal staff; so far as practicable, to use the services of local public bodies in its area of operation, provided that those local public bodies, if requested, shall make the services available;

(3) to delegate to one or more of its agents or employees the powers or duties it deems proper;

(4) within its area of operation, to undertake, prepare, carry out, and operate projects and to provide for the construction, reconstruction, improvement, extension, alteration, or repair of any project or part thereof;

(5) subject to the provisions of section 469.026, to give, sell, transfer, convey, or otherwise dispose of real or personal property or any interest therein and to execute leases, deeds, conveyances, negotiable instruments, purchase agreements, and other contracts or instruments, and take action that is necessary or convenient to carry out the purposes of these sections;

(6) within its area of operation, to acquire real or personal property or any interest therein by gifts, grant, purchase, exchange, lease, transfer, bequest, devise, or otherwise, and by the exercise of the power of eminent domain, in the manner provided by chapter 117, to acquire real property which it may deem necessary for its purposes, after the adoption by it of a resolution declaring that the acquisition of the real property is necessary to eliminate one or more

of the conditions found to exist in the resolution adopted pursuant to section 469.003 or to provide decent, safe, and sanitary housing for persons of low and moderate income, or is necessary to carry out a redevelopment project. Real property needed or convenient for a project may be acquired by the authority for the project by condemnation pursuant to this section. This includes any property devoted to a public use, whether or not held in trust, notwithstanding that the property may have been previously acquired by condemnation or is owned by a public utility corporation, because the public use in conformity with the provisions of sections 469.001 to 469.047 shall be deemed a superior public use. Property devoted to a public use may be so acquired only if the governing body of the municipality has approved its acquisition by the authority. An award of compensation shall not be increased by reason of any increase in the value of the real property caused by the assembly, clearance or reconstruction, or proposed assembly, clearance or reconstruction for the purposes of sections 469.001 to 469.047 of the real property in an area;

(7) within its area of operation, and without the adoption of an urban renewal plan, to acquire, by all means as set forth in clause (6) but without the adoption of a resolution provided for in clause (6), real property, and to demolish, remove, rehabilitate, or reconstruct the buildings and improvements or construct new buildings and improvements thereon, or to so provide through other means as set forth in Laws 1974, chapter 228, or to grade, fill, and construct foundations or otherwise prepare the site for improvements. The authority may dispose of the property pursuant to section 469.029, provided that the provisions of section 469.029 requiring conformance to an urban renewal plan shall not apply. The authority may finance these activities by means of the redevelopment project fund or by means of tax increments or tax increment bonds or by the methods of financing provided for in section 469.033 or by means of contributions from the municipality provided for in section 469.041, clause (9), or by any combination of those means. Real property with buildings or improvements thereon shall only be acquired under this clause when the buildings or improvements are substandard. The exercise of the power of eminent domain under this clause shall be limited to real property which contains buildings and improvements which are vacated and substandard. For the purpose of this clause, substandard buildings or improvements mean hazardous buildings as defined in section 463.15, subdivision 3, or buildings or improvements that are dilapidated or obsolescent, faultily designed, lack adequate ventilation, light, or sanitary facilities, or any combination of these or other factors that are detrimental to the safety or health of the community;

(8) within its area of operation, to determine the level of income constituting low or moderate family income. The authority may establish various income levels for various family sizes. In making its determination, the authority may consider income levels that

may be established by the federal housing administration or a similar or successor federal agency for the purpose of federal loan guarantees or subsidies for persons of low or moderate income. The authority may use that determination as a basis for the maximum amount of income for admissions to housing development projects or housing projects owned or operated by it;

(9) to provide in federally assisted projects any relocation payments and assistance necessary to comply with the requirements of the Federal Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, and any amendments or supplements thereto;

(10) to make, or agree to make, payments in lieu of taxes to the city or the county, the state or any political subdivision thereof, that it finds consistent with the purposes of sections 469.001 to 469.047;

(11) to cooperate with or act as agent for the federal government, the state or any state public body, or any agency or instrumentality of the foregoing, in carrying out any of the provisions of sections 469.001 to 469.047 or of any other related federal, state, or local legislation; and upon the consent of the governing body of the city to purchase, lease, manage, or otherwise take over any housing project already owned and operated by the federal government;

(12) to make plans for carrying out a program of voluntary repair and rehabilitation of buildings and improvements; and plans for the enforcement of laws, codes, and regulations relating to the use of land and the use and occupancy of buildings and improvements, and to the compulsory repair, rehabilitation, demolition, or removal of buildings and improvements. The authority may develop, test, and report methods and techniques, and carry out demonstrations and other activities for the prevention and elimination of slums and blight;

(13) to borrow money or other property and accept contributions, grants, gifts, services, or other assistance from the federal government, the state government, state public bodies, or from any other public or private sources;

(14) to include in any contract for financial assistance with the federal government any conditions that the federal government may attach to its financial aid of a project, not inconsistent with purposes of sections 469.001 to 469.047, including obligating itself (which obligation shall be specifically enforceable and not constitute a mortgage, notwithstanding any other laws) to convey to the federal government the project to which the contract relates upon the occurrence of a substantial default with respect to the covenants or conditions to which the authority is subject; to provide in the contract that, in case of such conveyance, the federal government may complete, operate, manage, lease, convey, or otherwise deal

with the project until the defaults are cured if the federal government agrees in the contract to reconvey to the authority the project as then constituted when the defaults have been cured;

(15) to issue bonds for any of its corporate purposes and to secure the bonds by mortgages upon property held or to be held by it or by pledge of its revenues, including grants or contributions;

(16) to invest any funds held in reserves or sinking funds, or any funds not required for immediate disbursement, in property or securities in which savings banks may legally invest funds subject to their control or in the manner and subject to the conditions provided in section 475.66 for the deposit and investment of debt service funds;

(17) within its area of operation, to determine where blight exists or where there is unsafe, unsanitary, or overcrowded housing;

(18) to carry out studies of the housing and redevelopment needs within its area of operation and of the meeting of those needs. This includes study of data on population and family groups and their distribution according to income groups, the amount and quality of available housing and its distribution according to rentals and sales prices, employment, wages, desirable patterns for land use and community growth, and other factors affecting the local housing and redevelopment needs and the meeting of those needs; to make the results of those studies and analyses available to the public and to building, housing, and supply industries;

(19) if a local public body does not have a planning agency or the planning agency has not produced a comprehensive or general community development plan, to make or cause to be made a plan to be used as a guide in the more detailed planning of housing and redevelopment areas;

(20) to lease or rent any dwellings, accommodations, lands, buildings, structures, or facilities included in any project and, subject to the limitations contained in sections 469.001 to 469.047 with respect to the rental of dwellings in housing projects, to establish and revise the rents or charges therefor;

(21) to own, hold, and improve real or personal property and to sell, lease, exchange, transfer, assign, pledge, or dispose of any real or personal property or any interest therein;

(22) to insure or provide for the insurance of any real or personal property or operations of the authority against any risks or hazards;

(23) to procure or agree to the procurement of government insur-

ance or guarantees of the payment of any bonds or parts thereof issued by an authority and to pay premiums on the insurance;

(24) to make expenditures necessary to carry out the purposes of sections 469.001 to 469.047;

(25) to enter into an agreement or agreements with any state public body to provide informational service and relocation assistance to families, individuals, business concerns, and nonprofit organizations displaced or to be displaced by the activities of any state public body;

(26) to compile and maintain a catalog of all vacant, open and undeveloped land, or land which contains substandard buildings and improvements as that term is defined in clause (7), that is owned or controlled by the authority or by the governing body within its area of operation and to compile and maintain a catalog of all authority owned real property that is in excess of the foreseeable needs of the authority, in order to determine and recommend if the real property compiled in either catalog is appropriate for disposal pursuant to the provisions of section 469.029, subdivisions 9 and 10;

(27) to recommend to the city concerning the enforcement of the applicable health, housing, building, fire prevention, and housing maintenance code requirements as they relate to residential dwelling structures that are being rehabilitated by low or moderate income persons pursuant to section 469.029, subdivision 9, for the period of time necessary to complete the rehabilitation, as determined by the authority;

(28) to recommend to the city the initiation of municipal powers, against certain real properties, relating to repair, closing, condemnation, or demolition of unsafe, unsanitary, hazardous, and unfit buildings, as provided in section 469.041, clause (5); and

(29) to sell, at private or public sale, at the price or prices determined by the authority, any note, mortgage, lease, sublease, lease purchase, or other instrument or obligation evidencing or securing a loan made for the purpose of economic development, job creation, redevelopment, or community revitalization by a public agency to a business, for-profit or nonprofit organization, or an individual; and

(30) within its area of operation, to acquire and sell real property that is benefited by federal housing assistance payments, other rental subsidies, or interest reduction payments, other rental subsidies, or interest reduction contracts for the purpose of preserving the affordability of low- and moderate-income multifamily housing.

Section 9 is effective the day following final enactment.

ARTICLE 6

HOUSING IMPACT REPORT

Section 1. [504.30] [DEFINITIONS.]

Subdivision 1. [SCOPE.] The definitions in this section apply to sections 1 to 5.

Subd. 2. [CITY.] "City" means any statutory or home rule charter city. The term "city" also includes a port authority, economic development authority, a housing and redevelopment authority, or any development agency established under chapter 469 which share common boundaries with the city.

Subd. 3. [DISPLACE.] "Displace" means to demolish, acquire for or convert to a use other than low-income housing, or to provide or expend funds that directly result in demolition, acquisition for or conversion to a use other than low-income housing.

"Displace" does not include providing or expending funds that directly result in, and are limited to, those improvements of housing which are made to comply with health, housing, building, fire prevention, housing maintenance, or energy codes or standards of the applicable government unit, or to make the housing more accessible to any handicapped person.

Subd. 4. [GOVERNMENT UNIT.] "Government unit" means any state agency; any public or private agency, corporation, or entity receiving a direct appropriation from the state for the purpose of a project that would displace low-income housing; or any general or special purpose unit of government in the state, including, but not limited to, any city, county, county housing and redevelopment authority, town, and regional development commission.

Subd. 5. [LOW-INCOME HOUSING.] "Low-income housing" means rental housing with a rent less than or equal to 30 percent of 50 percent of the median income for the county in which the rental housing is located, adjusted by size. "Low-income housing" also includes rental housing that has been vacant for less than two years, that was low-income housing when it was last occupied, and that is not condemned as being unfit for human habitation by the applicable government unit.

Subd. 6. [RENTAL HOUSING.] "Rental housing" includes, but is not limited to, rental apartments, rooms, and housing; board and lodging units; rooms in single-occupancy buildings and hotels that offer to be used as the sole residence of the occupant; transitional

housing; and shelters. Rental housing does not include transitional housing located within a floodplain or community based residential facilities.

Subd. 7. [REPLACEMENT HOUSING.] "Replacement housing" means rental housing that shall:

(1) Be the lesser of (i) the number and corresponding size of low-income housing units displaced, or (ii) be sufficient in number and corresponding size of those low-income housing units displaced to meet the demand for those units;

(2) be low-income housing for the greater of 15 years or the compliance period of the federal low-income housing tax credit under United States Code, title 26, section 42(i)(1), as amended. This section does not prohibit increases in rent to cover operating expenses;

(3) be in at least standard condition; and

(4) be located in the city or town where the displaced low-income housing units were located.

Replacement housing may be provided as, but not limited to, newly constructed housing; or rehabilitated or rent subsidized existing housing that did not already qualify as low-income housing.

Subd. 8. [SIZE.] "Size" means the number of bedrooms in a housing unit.

Sec. 2. [504.31] [ANNUAL HOUSING IMPACT REPORT.]

Subdivision 1. [ANNUAL REPORT REQUIRED.] A government unit shall prepare an annual housing impact report for each year in which the government unit displaces ten or more units of low-income housing.

Subd. 2. [DRAFT ANNUAL HOUSING IMPACT REPORT.] A government unit subject to this section must prepare a draft annual housing impact report for review and comment by interested persons. The draft report must be completed by January 31 of the year immediately following a year in which the government unit has displaced ten or more units of low-income housing.

Subd. 3. [CONTENTS.] The draft and final annual housing impact reports must include:

(1) identification of each low-income housing unit that was displaced in the previous year in the city or town where housing was displaced by the government unit, including the unit's address, size,

and rent; the number of persons who could have occupied the unit; the condition the unit was in, and whether it was habitable at the time of displacement; the owner of the unit; whether it was owner occupied; and how and when it was displaced;

(2) identification of each unit of replacement housing provided in the previous year in the city or town, including the unit's address, size, and rent; the number of persons who could occupy the unit; the owner of the unit; whether it is owner occupied; and an identification of the displaced low-income housing unit that was replaced by the unit of replacement housing;

(3) analysis of the supply of and demand for all sizes of low-income housing units, by size and rent, in the city or town;

(4) determination of whether there is an adequate supply of available and unoccupied low-income housing units to meet the demand for all sizes of low-income housing, by size and rent, in the city or town where housing has been displaced by the government unit;

(5) estimation of the cost of providing replacement housing for low-income housing not in adequate supply to meet the demand for all sizes of low-income housing, by size and rent, in the city or town where housing has been displaced by the government unit; and

(6) analysis of the government unit's compliance with the replacement plans of previous housing annual impact reports and project housing impact statements.

Subd. 4. [REPLACEMENT PLAN.] If there is an inadequate supply of available and unoccupied low-income housing units to meet the demand for the replacement housing in the city or town where housing has been displaced by the government unit, the draft and final annual housing impact reports shall include a plan for providing the replacement housing within 36 months following the date of the final annual housing impact report.

Subd. 5. [NOTICE; REQUEST FOR COMMENTS.] A government unit subject to this section must provide for public input in preparing the annual housing impact report, including a public comment period and a public hearing. The government unit must publish notice of its draft annual housing impact report in a newspaper of general circulation in the city or town by the deadline for completion of the draft annual housing impact report. The notice must include a request for comments on the draft annual housing impact report within the 30 days following the notice, and notice of the date, time, and location of a public hearing on the draft annual housing impact report to be held within 15 to 30 days following the date of notice. Copies of the notice must be sent to the neighborhood and citizen participation organizations, district planning councils, housing re-

ferral and information services, shelters, homeless and tenants advocacy groups, and legal aid offices in the city or town where the displaced low-income housing was located. Copies of the notice and the draft annual housing impact report must be submitted to the state planning agency and the Minnesota housing finance agency.

Subd. 6. [FINAL ANNUAL HOUSING IMPACT REPORT.] In preparing and approving a final annual housing impact report, a government unit subject to this section must consider comments received during the comment period and at the public hearing on the draft report. The final report shall be prepared within 30 days following the deadline for receipt of comments on the draft annual housing impact report. The government unit shall publish notice of the final annual housing impact report in a newspaper of general circulation in the city or town. Copies of the notice must be sent to neighborhood and citizen participation organizations, district planning councils, housing referral and information services, shelters, homeless and tenants advocacy groups, and legal aid offices in the city or town where the displaced low-income housing was located. Copies of the notice and the draft annual housing impact report must be submitted to the state planning agency and the Minnesota housing finance agency.

Sec. 3. [504.32] [REPLACEMENT HOUSING REQUIRED.]

A government unit subject to section 2 must provide the replacement housing within 36 months following the date of the final annual housing impact report, unless there is an adequate supply of available and unoccupied low-income housing units to meet the demand for the replacement housing in the city or town where housing has been displaced by the government unit."

Renumber the sections in sequence

Correct internal references

Amend the title accordingly

With the recommendation that when so amended the bill pass.

The report was adopted.

Anderson, G., from the Committee on Appropriations to which was referred:

H. F. No. 629, A bill for an act relating to elections; ethics in government; clarifying and modifying certain exceptions to multi-candidate political party expenditure limitations; modifying lobbyist reporting requirements; expanding certain reports by certain

political committees and political funds; discontinuing the state ethical practices board responsibility for developing and furnishing certain forms; limiting contributions and solicitations during a regular legislative session; providing a public subsidy for legislative candidates in special elections; providing an income tax credit for contributions to state candidates and political parties; requiring candidates to match funds received from the state elections campaign fund; providing a schedule for distribution of political campaign checkoff money to political parties; requiring deer licenses to include an application for absentee ballots; requiring county auditors to provide a sample ballot for classroom use; specifying a time period for preparing a candidate's affidavit; providing penalties; appropriating money; amending Minnesota Statutes 1988, sections 10A.04, subdivision 2; 10A.20, subdivision 3; 10A.27, subdivision 4; 10A.275; 10A.31, subdivision 5, and by adding a subdivision; 10A.32, subdivision 3, and by adding subdivisions; 10A.33; 97A.485, by adding a subdivision; 204B.09, subdivision 1; 290.06, by adding a subdivision; and 383B.055, subdivisions 1 and 2; proposing coding for new law in Minnesota Statutes, chapters 10A and 204D; repealing Minnesota Statutes, section 211B.11, subdivision 2.

Reported the same back with the following amendments:

Page 2, line 11, delete "or accept" and after "contribution" insert "on behalf of the candidate's principal campaign committee, or any other political committee with the candidate's name or title"

Page 11, delete section 9

Renumber the sections in sequence

Correct internal references

Amend the title accordingly

With the recommendation that when so amended the bill pass.

The report was adopted.

Anderson, G., from the Committee on Appropriations to which was referred:

H. F. No. 878, A bill for an act relating to agriculture; providing assistance for hay land restoration and hay for livestock; encouraging widespread purchase of federal crop insurance; directing a study of cheese marketing practices; authorizing state payment for crop insurance; providing a width exemption for motor vehicles used in

emergency haylift operations; making low-interest loans available to homeowners to repair drought damage; providing state financial and technical assistance to municipalities for purposes of enhancing municipal water supplies; appropriating money; amending Minnesota Statutes 1988, section 17.03, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapters 17, 18, and 169.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"ARTICLE 1

FEDERAL CROP INSURANCE; OTHER PROVISIONS

Section 1. [17.752] [FINDING OF PUBLIC PURPOSE.]

The legislature finds that federal crop insurance represents the lowest cost, most economically feasible mechanism for protecting farm families from severe economic stress caused by drought and other natural disasters. The legislature further finds that costs to the state for rural disaster relief are greatly reduced when a majority of farmers carry federal crop insurance. In order to encourage all farmers to carry federal crop insurance, it is a valid public purpose for state funds to be used to make grants for a portion of the premium costs of the crop insurance.

Sec. 2. [17.754] [GRANTS FOR PARTIAL PAYMENT OF FEDERAL CROP INSURANCE.]

Subdivision 1. [ELIGIBLE CROPS.] Crops eligible for partial payment of federal crop insurance are barley, corn, flax, oats, soybeans, sugar beets, canning crops grown under contract, and wheat.

Subd. 2. [CERTIFICATION OF ELIGIBILITY.] An applicant for partial payment of the federal crop insurance premium on an eligible crop must apply to the federal crop insurance corporation for a determination of eligibility. The federal crop insurance corporation must certify the eligibility of each applicant and determine the total premium to be paid for crop insurance coverage on all eligible crops.

Subd. 3. [APPLICATION FOR STATE PAYMENT; REPORT.] The federal crop insurance corporation shall apply to the commissioner for payment of the state share of the premium on eligible crops. Before a state payment for crop insurance is authorized, the federal crop insurance corporation must report to the commissioner the following information:

(1) the total cost to the state for crop insurance premiums at the rate authorized in subdivision 5;

(2) the acreage of each eligible crop in each county;

(3) the participation rate for each eligible crop in each county; and

(4) other information the commissioner reasonably requires.

Subd. 4. [COMMISSIONER TO REPORT TO LEGISLATURE.] By June 1, 1989, and June 1 in each succeeding year, the commissioner shall report to the chairs of the house and senate committees on agriculture on the program of partial state payment for federal crop insurance. The report must include county costs and participation rates for each eligible crop and the commissioner's recommendations for changes in the program, if any.

Subd. 5. [COMMISSIONER TO MAKE PAYMENT.] To the extent of funds appropriated for this program, the commissioner shall make a payment to the federal crop insurance corporation in an amount equal to ten percent of the total annual farmer-paid crop insurance premium on eligible crops covered by the application under subdivision 3.

Sec. 3. [17.756] [RULES.]

The commissioner of agriculture shall adopt rules for purposes of sections 1 to 3.

Sec. 4. Minnesota Statutes 1988, section 38.013, is amended to read:

38.013 [TORT LIABILITY.]

The provisions of chapter 466, regarding tort liability apply to county agricultural societies organized under this chapter, except that no person who serves without compensation as a member of the board of a county agricultural society created or organized under this chapter shall be held civilly liable for an act or omission by that person if the act or omission was in good faith, was within the scope of the person's responsibilities as a member of the board, and did not constitute willful or reckless misconduct.

This subdivision does not apply to:

(1) an action or proceeding brought by the attorney general for a breach of a fiduciary duty as a director;

(2) a cause of action to the extent it is based on federal law; or

(3) a cause of action based on the board member's express contractual obligation.

Nothing in this subdivision shall be construed to limit the liability of a member of the board for physical injury to the person of another or for wrongful death which is personally and directly caused by the board member.

For purposes of this subdivision, the term "compensation" means any thing of value received for services rendered, except:

(1) reimbursement for expenses actually incurred;

(2) a per diem in an amount not to exceed the per diem authorized for state advisory councils and committees pursuant to section 15.059, subdivision 3; or

(3) payment by the county agricultural society of insurance premiums on behalf of a member of the board.

Sec. 5. Minnesota Statutes 1988, section 1160.09, subdivision 5, is amended to read:

Subd. 5. [ADVISORY BOARD.] A 26-member advisory board is established to identify priorities for the agricultural utilization research institute. Members of the advisory board are appointed by the board. The advisory board consists of: the chair of the Minnesota house of representatives agricultural committee or the chair's designee; the chair of the Minnesota senate agricultural committee or the chair's designee; a representative from each of the ten largest agricultural-related businesses in the state as determined by the corporation; a member from each of the appropriate trade organizations representing producers of beef cattle, dairy, corn, soybeans, pork, wheat, turkey, barley, wild rice, edible beans, eggs, and potatoes; a member of the Farmers's Union; and a member of the Farm Bureau. Terms and removal of members must be set by the board and members of the advisory board serve without compensation but shall receive their necessary and actual expenses.

The advisory board shall annually provide a list of priorities and suggested research and marketing studies that should be performed by the agricultural utilization research institute.

Sec. 6. [169.801] [TRUCKS PARTICIPATING IN EMERGENCY HAYLIFT OPERATIONS.]

Subdivision 1. [COMPLIANCE.] The commissioners of transportation and public safety, and their agents, shall make every effort to comply with the provisions of this section.

Subd. 2. [EXEMPTION; ORGANIZED HAYLIFT PARTICIPATION.] A motor vehicle being used to haul hay in an organized haylift operation is exempt from vehicle width limits if:

(1) the vehicle is operated by a person carrying a participation permit issued by the commissioner of agriculture under subdivision 4;

(2) the load is firmly secured; and

(3) the vehicle and its load pose no undue risk to the operator or other persons or property.

Subd. 3. [EXEMPTION; HAYLIFT TRIP PERMIT.] A motor vehicle is exempt from vehicle width limits if:

(1) the vehicle is transporting hay at a cost to the shipper or recipient substantially lower than normal commercial freight rates;

(2) the operator of the vehicle is in possession of a valid trip permit issued by the commissioner of agriculture under subdivision 5;

(3) the load is firmly secured; and

(4) the vehicle and its load pose no undue risk to the operator or other persons or property.

Subd. 4. [CERTIFICATE OF PARTICIPATION.] Upon proper request, the commissioner of agriculture shall provide to each motor vehicle operator participating in an organized haylift operation a certificate of participation including the approximate dates of participation.

Subd. 5. [HAYLIFT TRIP PERMIT.] Upon proper request, the commissioner of agriculture shall issue a haylift trip permit to a motor vehicle operator who transports hay at a cost substantially lower than normal commercial freight rates for the benefit of a farmer who has a shortage of hay for livestock. Each permit is valid for one round trip. The permit must indicate the date, the points of origin and destination, the proposed route, and any other information the commissioner may reasonably require.

Subd. 6. [LIMITATION.] A motor vehicle operator is not exempt under subdivision 2 or 3 except while actually participating in a haylift operation.

Sec. 7. [EFFECTIVE DATE.]

Sections 1 to 6 are effective the day following final enactment.

ARTICLE 2
DEGRADABLE PLASTICS

Section 1. Minnesota Statutes 1988, section 325E.045, subdivision 1, is amended to read:

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

(a) "Degradable" means capable of being decomposed by natural biological processes, including exposure to ultraviolet rays of the sun, within five years after the date of disposal.

(b) "Person" means an individual, partnership, corporation, sole proprietorship, association, or other for-profit or nonprofit organization, including the state and its political subdivisions.

(c) "Polyethylene disposal bag" means a bag made of polyethylene that is used or intended to be used for disposal of mixed municipal solid waste as defined in section 115A.03.

(d) "Polyethylene beverage ring" means a device made of polyethylene that is used or intended to be used to hold beverage bottles or other beverage containers together.

(e) "Public agency" means the state, an office, agency, or institution of the state, a county, a statutory or home rule charter city, a town, a school district, or another special taxing district.

(f) "Yard waste" has the meaning given in section 115A.931, paragraph (b), and includes garden wastes, leaves, lawn cuttings, weeds, and prunings.

Sec. 2. Minnesota Statutes 1988, section 325E.045, is amended by adding a subdivision to read:

Subd. 5. [CRITERIA ESTABLISHED.] The commissioner of agriculture must establish criteria and implement processes to certify that the products required by this section to be degradable:

(1) are degradable under conditions typical of a program or facility for composting or cocomposting; and

(2) contain food grade components as defined by the United States Food and Drug Administration and are listed as approved for food contact in Code of Federal Regulations, title 21, section 175.300 (1988).

Sec. 3. Minnesota Statutes 1988, section 325E.045, is amended by adding a subdivision to read:

Subd. 6. [DEGRADABLE YARD WASTE BAGS REQUIRED FOR COMPOSTING.] A person may not dispose of yard waste in a facility or program for composting or cocomposting unless the disposal bags are degradable as defined in subdivision 1.

Sec. 4. [EFFECTIVE DATE.]

Section 3 is effective 12 months after the commissioner of agriculture certifies under section 2 that products meeting the standards of degradability are commercially available.

ARTICLE 3

FEDERAL UNIFORMITY

Section 1. Minnesota Statutes 1988, section 31.101, is amended to read:

31.101 [RULES; HEARINGS; UNIFORMITY WITH FEDERAL LAW.]

Subdivision 1. The authority to promulgate and amend rules for the efficient administration and enforcement of the Minnesota food law is vested in the commissioner and is in addition to authority granted in sections 31.10, 31.11, and 31.12. Such rules when applicable shall conform, insofar as practicable and consistent with state law, with those promulgated under the federal law.

Subd. 2. Hearings authorized or required by law shall be conducted by the commissioner or such officer, agent, or employee as the commissioner may designate for the purpose.

Subd. 3. Federal pesticide chemical regulations and amendments thereto in effect on April 1, ~~1987~~ 1988, adopted under authority of the Federal Insecticide, Fungicide and Rodenticide Act, as provided by United States Code, title 7, chapter 6, are the pesticide chemical rules in this state. Such rules may be amended by the commissioner proceeding in accordance with the administrative procedure act.

Subd. 4. Federal food additive regulations and amendments thereto in effect on April 1, ~~1987~~ 1988, as provided by Code of Federal Regulations, title 21, parts 170 to 199, are the food additive rules in this state. Such rules may be amended by the commissioner proceeding in accordance with the administrative procedure act.

Subd. 5. Federal color additive regulations and amendments thereto in effect on April 1, ~~1987~~ 1988, as provided by Code of

Federal Regulations, title 21, parts 70 to 82, are the color additive rules in this state. Such rules may be amended by the commissioner proceeding in accordance with the administrative procedure act.

Subd. 6. Federal special dietary use regulations and amendments thereto in effect on April 1, 1987 1988, as provided by Code of Federal Regulations, title 21, parts 104 and 105, are the special dietary use rules in this state. Such rules may be amended by the commissioner proceeding in accordance with the administrative procedure act.

Subd. 7. Federal regulations and amendments thereto in effect on April 1, 1987 1988, adopted under the Fair Packaging and Labeling Act, as provided by United States Code, title 15, sections 1451 to 1461, are the rules in this state. Such rules may be amended by the commissioner proceeding in accordance with the administrative procedure act; provided that the commissioner shall not adopt amendments to such rules or adopt other rules which are contrary to the labeling requirements for the net quantity of contents required pursuant to section 4 of the Fair Packaging and Labeling Act and the regulations promulgated thereunder.

Subd. 8. Applicable federal regulations including recodification contained in Code of Federal Regulations, title 21, parts 0-1299; Food and Drugs, in effect April 1, 1987 1988, and not otherwise adopted herein, also are adopted as food rules of this state. Such rules may be amended by the commissioner in accordance with the administrative procedure act.

Sec. 2. Minnesota Statutes 1988, section 31.102, subdivision 1, is amended to read:

Subdivision 1. Federal definitions and standards of identity, quality and fill of container and amendments thereto, in effect on April 1, 1975 1988, adopted under authority of the federal act, are the definitions and standards of identity, quality and fill of container in this state. Such rules may be amended by the commissioner proceeding in accordance with the administrative procedure act.

Sec. 3. Minnesota Statutes 1988, section 31.103, subdivision 1; is amended to read:

Subdivision 1. All labels of consumer commodities shall conform with the requirements for the declaration of net quantity of contents of section 4 of the Fair Packaging and Labeling Act (United States Code, title 15, section 1451 et seq.) and federal regulations in effect on April 1, 1975 1988, promulgated pursuant thereto, except to the extent that the commissioner shall exercise authority to amend such rules in accordance with the administrative procedure act. Consumer commodities exempted from the requirements of section 4 of

the Fair Packaging and Labeling Act shall also be exempt from this subdivision.

Sec. 4. Minnesota Statutes 1988, section 31.104, is amended to read:

31.104 [FOOD LABELING EXEMPTION RULES.]

The commissioner shall promulgate rules exempting from any labeling requirement food which is, in accordance with the practice of the trade, to be processed, labeled or repacked in substantial quantities at establishments other than those where originally processed or packed, on condition that such food is not adulterated or misbranded upon removal from such processing, labeling or repack- ing establishment.

Federal regulations in effect on April 1, ~~1975~~ 1988, adopted under authority of the federal act relating to such exemptions are effective in this state unless the commissioner shall exercise authority to amend such regulations. The commissioner also may promulgate amendments to existing rules concerning exemptions in accordance with the administrative procedure act.

Sec. 5. Minnesota Statutes 1988, section 31.11, is amended to read:

31.11 [RULES.]

Subdivision 1. [FOOD LAWS.] For the purpose of preventing fraud and deception in the manufacture, use, sale, and transportation of food, or for the purpose of protecting and preserving the public health, it shall also be the duty of the commissioner to make and publish uniform rules, not inconsistent with law, for carrying out and enforcing the provisions of laws now or hereafter enacted relating to food; which rules shall be made in the manner provided by law. Until such rules are made and published, the rules heretofore made by the commissioner shall remain in full force and effect, except as otherwise prescribed by law. Any person who shall manufacture, use, sell, transport, offer for use, sale or transportation, or have in possession with intent to use, sell or transport, any article of food contrary to the provisions of any such rule, or who shall fail to comply with any such rule, shall be guilty of a misdemeanor.

Subd. 2. [PLAN REVIEW FEES.] The commissioner shall, by rule, set plan review fees that will approximate the cost to the department of its review of plans and specifications submitted by food handlers.

There is created in the state treasury an account known as the food handler plan review fund. Fees paid under this subdivision

must be deposited in the food handler plan review fund. Money in the food handler plan review fund is annually appropriated to the commissioner to pay the costs of the food handler plan and specifications review program.

ARTICLE 4

SOY-BASED INK

Section 1. [16B.125] [PRINTING INKS; STATE PRINTING.]

Subdivision 1. [DEFINITION; SOY-BASED INK.] For the purposes of this section, "soy-based ink" means printing ink made from soy oil.

Subd. 2. [STATE PRINTER.] Whenever practical and economically feasible, the state printer shall consider the use of soy-based ink for printing orders or projects. The printer shall also advise state agencies on and encourage them to use materials and printing processes that allow for the use of soy-based ink.

Subd. 3. [STATE AGENCIES; PRINTING CONTRACTS.] When a state agency seeks to enter a contract for printing with, or otherwise purchases printing from, the state or another printer, the agency shall consider, when practical and economically feasible, specifying the use of soy-based ink when it can specify use of a newsprint product that is printed on a non-heat-set web press or a sheet-fed press. Whenever practical, a state agency shall consider specifying materials and printing processes that enable use of soy-based ink.

Subd. 4. [DETERMINATION OF USE.] When the state printer or a state agency is making a determination whether to use soy-based ink or not, the state printer or agency shall consider the practicality of soy-based ink with regard to the type of paper to be used in the project, the production schedule required, the type of printing equipment likely to be used, the availability of ink, and any other relevant considerations.

ARTICLE 5

MINNESOTA-GROWN WIC COUPONS

Section 1. [MINNESOTA-GROWN COUPONS FOR WIC RECIPIENTS.]

The commissioner of agriculture, in cooperation with the commissioner of health, shall conduct demonstration projects in conjunction with federal programs to give Minnesota-grown coupons redeemable for food identified with a Minnesota-grown logo or labeling state-

ment at selected sites to participants in the federal supplemental food program for women, infants, and children. The commissioner shall conduct an evaluation of the demonstration projects, prepare a report, and submit the report to the legislature by January 15, 1990.

ARTICLE 6

NOXIOUS WEED CONTROL

Section 1. [18.192] [LOCAL SUSPENSION OF NOXIOUS WEED CONTROL.]

During a drought, a town board may suspend the duty of owners and occupants of land and road maintenance personnel to control noxious weeds if the vegetation is to be harvested for livestock feed under sections 18.191 to 18.272, except under order by the commissioner or the local weed inspector.

ARTICLE 7

COMMUNITY NEEDS ASSESSMENT MODEL

Section 1. [COMMUNITY NEEDS ASSESSMENT MODEL.]

Subdivision 1. [MODEL DEVELOPMENT.] The commissioner of administration shall award a grant to an organization to develop, test, and implement a rural community needs assessment model after consulting the rural development subcommittee of the senate agriculture and rural development committee and the rural resource development division of the house economic development committee. The organization must select five rural communities in 1990 and five rural communities in 1991 within which to perform community needs assessments using the model developed.

Subd. 2. [ORGANIZATION.] The organization selected must meet the following criteria:

(1) knowledge of the concerns and needs of rural Minnesota residents and their communities;

(2) demonstrated expertise in performing needs assessments;

(3) ability to develop, test, refine, demonstrate, and implement a community needs assessment process; and

(4) experience in gathering, classifying, analyzing, reporting, and interpreting data.

Subd. 3. [MODEL REQUIREMENTS.] The community needs

assessment model must identify community needs in the areas of social services, transportation, housing, education, health care, crime and drug abuse prevention, recreation, employment, public infrastructure, and economic development. In order to identify those needs, information must be collected from the most recent existing statistical data bases, experts, and community residents. After needs are identified, the community needs assessment model must establish priorities, assist the community in analyzing existing resources, develop strategies to meet community needs, and assist the community in considering available options and in deciding what alternatives to act upon.

Subd. 4. [COMMUNITY PARTICIPATION.] The community needs assessment model must be designed to maximize community involvement and participation in the community needs assessment process. The model must be capable of guiding the community through a strategy of information collection, discussion, refinement, and consensus. To encourage community involvement in this process, the organization may provide incentive grants to community leaders and residents.

Subd. 5. [REPORT.] The organization selected to develop the community needs assessment model shall report to the legislature by January 1, 1991, regarding the development and implementation of the model. A second report must be submitted to the legislature by January 1, 1992.

ARTICLE 8

CHEESE MARKETING STUDY

Section 1. [INVESTIGATION OF CHEESE MARKETING; REPORT.] (a) The commissioner of agriculture shall conduct an investigation and economic analysis of cheese marketing practices within the state, the upper midwest region, and the United States. The purpose of the investigation is to evaluate the extent to which dairy farmers and cheese producers in Minnesota are benefited by local and regional institutions and practices through which cheese and cheese products are marketed.

(b) In conducting the investigation and economic analysis of cheese marketing practices and institutions, the commissioner shall, to the greatest practicable extent, solicit the cooperation and participation of dairy farmer producers, dairy processors, farm cooperatives, and agricultural businesses involved in the dairy industry.

(c) Not later than March 1, 1990, the commissioner shall report to the agriculture committees of the senate and the house of representatives the findings from the investigation and economic analysis of

cheese marketing institutions and practices. The commissioner may also recommend legislation to improve cheese marketing conditions for Minnesota dairy farmers and cheese producers.

ARTICLE 9

GRASSHOPPER CONTROL PROGRAM

Section 1. [GRASSHOPPER CONTROL ZONES.]

The commissioner of agriculture shall designate townships of counties that have had grasshopper surveys showing economic damage or potential economic damage as a grasshopper control zone where control programs under sections 2 to 4 will be undertaken.

Sec. 2. [GRASSHOPPER CONTROL PROGRAM.]

(a) The commissioner of agriculture shall develop and implement a grasshopper control program to prevent crop damage in the grasshopper control zone. After consultation and cooperation with the state entomologist, the program must be developed to minimize adverse environmental impact, including the selection of pesticides and prescription of application rates.

(b) The grasshopper control program must utilize proven methods of grasshopper control and the commissioner may make grants for experimental methods of control in selected areas.

Sec. 3. [COST-SHARE.]

Subdivision 1. [ELIGIBILITY.] Private landowners are eligible for a 50 percent cost-share reimbursement for grasshopper control methods approved by the commissioner that are used on areas within the grasshopper control zone.

Subd. 2. [INSPECTION.] A county agricultural inspector shall inspect the property where the grasshopper control is to occur and approve the control method to be used.

Subd. 3. [REIMBURSEMENT.] (a) An eligible private landowner may receive reimbursement for grasshopper control costs by presenting to the county agricultural inspector:

(1) an inspection statement that the property was inspected prior to the control method being used; and

(2) approval by the county agricultural inspector that an approved method was used.

(b) The county agricultural inspector shall forward the reimbursement request to the county treasurer for payment.

(c) The county treasurer shall pay the reimbursement requests received from the county agricultural inspector.

Subd. 4. [PAYMENTS TO COUNTIES FOR COST-SHARE.] From within funds appropriated for the grasshopper control program, the commissioner of agriculture shall make payments to counties to pay for the cost-share payments under subdivision 3. The commissioner shall make funds available in advance based on anticipated need to allow reimbursement payments to be made as quickly as possible.

Subd. 5. [ADMINISTRATION.] (a) The commissioner of agriculture shall adopt procedures, guidelines, and forms to implement the grasshopper control cost-share program under this section. The procedures, guidelines, and forms may be adopted notwithstanding chapter 14, except section 14.38, subdivisions 7 and 8, must be complied with.

(b) The commissioner of agriculture may require accounting procedures and reports to implement the program.

Sec. 4. [EXPERIMENTAL GRASSHOPPER CONTROL.]

Subdivision 1. [AUTHORIZATION.] The commissioner of agriculture may designate certain areas or types of controls for an experimental control program for methods that are not commonly used in the state or have not been proven to be effective.

Subd. 2. [ELIGIBLE PARTICIPANTS.] Public and private entities willing to participate in the experimental grasshopper control program may not be required to pay more than 20 percent of the cost of the experimental control methods on property they are responsible for controlling.

Subd. 3. [ADMINISTRATION.] The commissioner shall develop the experimental grasshopper control program and may adopt rules, guidelines, and procedures notwithstanding chapter 14 to implement the program, except the commissioner must comply with section 14.38, subdivisions 7 and 8.

Sec. 5. [EFFECTIVE DATE.]

Sections 1, 2, and 4, and section 3, subdivisions 1, 2, and 5, are effective the day following final enactment.

ARTICLE 10

AGRICULTURAL LIMING MATERIALS

Section 1. Minnesota Statutes 1988, section 17.7242, subdivision 1, is amended to read:

Subdivision 1. [PURPOSE.] The purpose of the demonstration project required under sections 17.7241 to this section and sections 17.7243 and 17.7245 is to identify appropriate and mutually beneficial methods for the use of industrial by-product soil buffering materials. Proper use will minimize current waste disposal problems, provide a market for an underutilized resource, and make available to farmers an effective, low-cost soil buffering product.

Sec. 2. Minnesota Statutes 1988, section 17.7242, subdivision 2, is amended to read:

Subd. 2. [AUTHORITY.] The commissioner shall coordinate the design and implementation of a demonstration project to examine the technical feasibility, economic benefits, and environmental impacts of using industrial by-product soil buffering materials as a substitute for limestone and other traditional soil buffering materials.

Sec. 3. [17.731] [CITATION.]

Sections 3 to 15 are known and may be cited as the "Minnesota agricultural liming materials law."

Sec. 4. [17.732] [POWERS AND DUTIES OF COMMISSIONER.]

Subdivision 1. [ADMINISTRATION.] The commissioner shall administer, implement, and enforce sections 3 to 15, and the department of agriculture is the lead state agency for the regulation of agricultural liming materials. This regulation includes, but is not limited to, the storage, handling, distribution, and use of those materials.

Subd. 2. [DELEGATION OF DUTIES.] Functions vested in the commissioner by sections 3 to 15 may be delegated to designated employees or agents of the department of agriculture.

Subd. 3. [DELEGATION TO APPROVED AGENCIES.] The commissioner may, by written agreement, delegate specific inspection, enforcement, and other regulatory duties of sections 3 to 15 to officials of approved agencies.

Sec. 5. [17.733] [DEFINITIONS.]

Subdivision 1. [SCOPE.] The definitions in this section apply to sections 3 to 15.

Subd. 2. [AGRICULTURAL LIMING MATERIALS.] "Agricultural liming materials" means materials whose calcium or magnesium compounds, or both, account for an ENP of 30 percent or more. The term includes, but is not limited to; burnt lime, hydrated lime, industrial by-product, limestone, and marl.

Subd. 3. [BRAND.] "Brand" means the term, designation, trademark, product name, or other specific designation under which individual agricultural liming material is offered for sale.

Subd. 4. [BULK.] "Bulk" means in nonpackaged form.

Subd. 5. [BURNT LIME.] "Burnt lime" means a material made from limestone that consists essentially of calcium oxide or a combination of calcium oxide with magnesium oxide.

Subd. 6. [COMMISSIONER.] "Commissioner" means the commissioner of agriculture and the commissioner's authorized agents.

Subd. 7. [DISTRIBUTOR.] "Distributor" means a person who imports, consigns, produces, or offers for sale, sells, barter, or otherwise supplies agricultural liming material in this state.

Subd. 8. [ENP.] "ENP" means effective neutralizing power and is an expression of the neutralizing value of liming material based on the TNP and fineness and expressed as dry weight percentage.

Subd. 9. [FINENESS.] "Fineness" means the percentage by weight of material that will pass sieves of specified sizes.

Subd. 10. [GUARANTEED ANALYSIS.] "Guaranteed analysis" means the plant food claim in addition to claims for ENP or the ability to neutralize soil acidity.

Subd. 11. [GUARANTOR.] "Guarantor" means the person who is guaranteeing the agricultural liming material to be as stated in the guaranteed analysis statement.

Subd. 12. [HYDRATED LIME.] "Hydrated lime" means a material, made from burnt lime, that consists of calcium hydroxide or a combination of calcium hydroxide with either magnesium oxide, magnesium hydroxide, or both.

Subd. 13. [INDUSTRIAL BY-PRODUCT.] "Industrial by-product" means an industrial waste or by-product or the by-product of a municipal water treatment process containing calcium or magnesium or both in a form that may neutralize soil acidity.

Subd. 14. [LABEL.] "Label" means the display of all written, printed, or graphic matter on the immediate container or the statement accompanying a bulk shipment of agricultural liming material.

Subd. 15. [LABELING.] "Labeling" means written, printed, or graphic matter on or accompanying agricultural liming material and advertisements, brochures, posters, and television, radio, or other announcements used in promoting their sale.

Subd. 16. [LIMESTONE.] "Limestone" means a material consisting essentially of calcium carbonate or a combination of calcium carbonate with magnesium carbonate capable of neutralizing soil acidity.

Subd. 17. [MARL.] "Marl" means a granular or loosely consolidated earthy material composed largely of sea shell fragments and calcium carbonate.

Subd. 18. [OFFICIAL SAMPLE.] "Official sample" means a sample of agricultural liming material taken by the commissioner according to methods prescribed by section 10.

Subd. 19. [PERCENT; PERCENTAGE.] "Percent" or "percentage" means the percentage by weight.

Subd. 20. [PERSON.] "Person" means an individual, firm, corporation, partnership, association, trust, joint stock company, unincorporated organization, the state, a state agency, or a political subdivision.

Subd. 21. [PLANT FOOD.] "Plant food" means one of the following plant nutrients or an additional plant nutrient which might be generally recognized as beneficial for plant growth: nitrogen, phosphorus, potassium, calcium, magnesium, sulfur, boron, chlorine, cobalt, copper, iron, manganese, molybdenum, sodium, and zinc.

Subd. 22. [PRODUCER.] "Producer" means a person who operates a source of production or who blends an agricultural liming material to form a stockpile.

Subd. 23. [SELL.] "Sell," when applied to agricultural liming material, includes:

(1) selling or transferring ownership;

(2) offering and exposing for sale, exchange, distribution, giving away, and transportation in and into this state;

(3) possession with intent to sell, exchange, distribute, give away, or transport in and into this state;

(4) storing, carrying, and handling in aid of traffic, whether done in person or through an agent, employee, or others; and

(5) receiving, accepting, and holding a consignment for sale.

Subd. 24. [SOURCE OF PRODUCTION.] "Source of production" means a plant or facility where agricultural liming materials are produced or stockpiled.

Subd. 25. [STOCKPILE.] "Stockpile" means a supply of agricultural liming material stored for future use.

Subd. 26. [TNP.] "TNP" means total neutralizing power and is the total acid neutralizing capacity of an agricultural liming material expressed as a weight percentage of calcium carbonate and is equivalent to the term "calcium carbonate equivalent."

Subd. 27. [TON.] "Ton" means a net ton of 2,000 pounds avoirdupois.

Subd. 28. [WEIGHT.] "Weight" means the weight of material as offered for sale.

Sec. 6. [17.736] [LICENSE, RENEWAL.]

Subdivision 1. [LICENSE TO SELL.] Before a person may sell, offer for sale, or dispose of in this state agricultural liming material to be used for the correction of soil acidity or soil fertility, the distributor and producer must obtain a license by filing with the commissioner an acceptable application for a license to sell, together with the license fee, on or before January 1 of each year. The application must state the name of the producer or distributor, the location of the principal office of the producer or distributor, the number and location of each source of production covered by the license, and the name, brand, or trademark under which the agricultural liming material will be sold.

Subd. 2. [OUT-OF-STATE SOURCE OF PRODUCTION.] One license for all sources of production for a firm that is located outside of the state must be obtained from the commissioner.

Subd. 3. [EFFECTIVE DATES.] Each license is effective until January 1 next following the date of its issuance or approval. A license must not be transferable from one person to another, or from the ownership to whom issued to another ownership, or from one location to another location.

Subd. 4. [LICENSE POSTING.] The license must be posted in a conspicuous place in each location in this state where these operations are performed.

Subd. 5. [SUBSTANTIATION OF CLAIMS.] The commissioner may require a person applying for a license to sell or produce an agricultural liming material for use in Minnesota to submit authentic experimental evidence or university research data to substantiate the claims made for the product. As evidence to substantiate claims, the commissioner may rely on experimental data, evaluations, or advice furnished by experts at the University of Minnesota and may accept or reject additional sources of evidence in evaluating the agricultural liming material. In all cases, the experimental evidence must relate to conditions in Minnesota for which use of the product is intended. The commissioner may also require evidence of value when used as directed or recommended.

Subd. 6. [INSUFFICIENT EVIDENCE.] If the commissioner determines that the evidence submitted under subdivision 5 does not substantiate the product's usefulness in this state, the commissioner may require the applicant to submit samples, conduct tests, or submit additional information, including conditions affecting performance, in order to evaluate its performance and usefulness.

Sec. 7. [17.737] [LABELING; GUARANTEED ANALYSIS.]

Subdivision 1. [PRODUCT LABEL.] An agricultural liming material offered for sale in this state must be labeled in accordance with rules adopted under this chapter.

Subd. 2. [BULK SHIPMENT LABEL.] If agricultural liming material is transported or sold in bulk, the data in written or printed form as required by subdivision 1 must accompany each delivery and be supplied to each purchaser at the time of delivery.

Sec. 8. [17.738] [LICENSE AND SAMPLING FEES.]

Subdivision 1. [APPLICATION FEE.] An application for a license must be accompanied by a fee of \$100.

Subd. 2. [ADDITIONAL FEE AFTER JANUARY 1.] If an application for license renewal is not filed before January 1 of any year, an additional fee amounting to 50 percent of the amount due must be assessed before the renewal license may be issued.

Subd. 3. [ADDITIONAL FEES FOR PRIOR YEARS.] The applicant shall also pay any license fees for prior years in which the applicant sold an agricultural liming material in Minnesota in violation of this chapter plus an additional fee of 100 percent of the amount due.

Subd. 4. [SAMPLE FEE.] The commissioner may sample agricultural liming material from a source of production as often as deemed necessary to implement sections 3 to 15. A sampling fee of \$25 must be assessed for each sample collected but may not exceed \$25 per calendar year at each source of production.

Sec. 9. [17.739] [TONNAGE REPORT.]

Subdivision 1. [SEMIANNUAL STATEMENT.] Each licensed distributor or producer of agricultural liming material shall file with the commissioner on forms furnished by the commissioner, a semiannual statement for the periods ending December 31 and June 30 setting forth the number of net tons of agricultural liming material sold in this state during the reporting period. The report is due on or before the last day of the month following the close of each reporting period of each calendar year. For a tonnage report that is not filed within 31 days after the end of the reporting period, a penalty of \$50 must be paid by the licensee and is a debt and may be recovered in a civil action against the licensee. The assessment of this penalty does not prevent the department from taking other actions as provided in sections 3 to 15. The commissioner may by rule require additional reports for the purpose of gathering statistical data relating to agricultural liming material distributed in Minnesota.

Subd. 2. [SEPARATE REPORTS.] A separate report under subdivision 1 is due for each source of production.

Subd. 3. [RECORD VERIFICATION.] Submission of each tonnage report is authority for the commissioner to verify the records upon which the statement of tonnage is based.

Sec. 10. [17.74] [INSPECTION AND INVESTIGATION.]

Subdivision 1. [ACCESS AND ENTRY.] (a) The commissioner, upon presentation of official department credentials, must be granted access at reasonable times without delay to sites (1) where a person produces, handles, distributes, uses, disposes of, stores, or transports an agricultural liming material; and (2) which the commissioner reasonably believes are affected, or possibly affected, by the use of an agricultural liming material or device in violation of sections 3 to 15.

(b) The commissioner may enter sites for:

(1) inspection of equipment for the production, handling, distribution, disposal, or application of an agricultural liming material and the premises on which the equipment is stored;

(2) sampling of sites actually or reportedly exposed to agricultural liming materials;

(3) inspection of storage, handling, distribution, use, or disposal areas of agricultural liming material;

(4) inspection or investigation of complaints of injury to the environment;

(5) sampling of agricultural liming materials;

(6) observation of the use and application of an agricultural liming material;

(7) inspection of records related to the production, handling, distribution, storage, sale, use, or disposal of agricultural liming material; and

(8) other purposes necessary to implement sections 3 to 15.

Subd. 2. [NOTICE OF INSPECTION SAMPLES AND ANALYSES.] (a) The commissioner shall provide the owner, operator, or agent in charge with a receipt describing any samples obtained. If an analysis is made of the samples, a copy of the results of the analysis must be furnished to the owner, operator, or agent in charge.

(b) The methods of sampling and analysis must be those adopted by the association of official analytical chemists. In cases not covered by those methods, or in cases where methods are available in which improved applicability has been demonstrated, the commissioner may adopt appropriate methods from other sources.

Sec. 11. [17.741] [FALSE OR MISLEADING STATEMENTS.]

An agricultural liming material is misbranded if it carries a false or misleading statement on the container or on the label attached to the container, or if false or misleading statements concerning the agricultural liming material are disseminated in any manner or by any means. It is unlawful to sell a misbranded agricultural liming material.

Sec. 12. [17.742] [ADULTERATION.]

No person may sell an adulterated agricultural liming material. An agricultural liming material is adulterated if:

(1) it contains a deleterious or harmful ingredient in sufficient amount to render it injurious to plant life or the environment when applied in accordance with directions for use on the label;

(2) its composition falls below or differs from that it is purported to possess by its labeling; or

(3) it contains unwanted crop seed or weed seed.

Adulterated products that cannot be reconditioned must be disposed of by methods approved by the commissioner.

Sec. 13. [17.743] [RULES.]

Subdivision 1. [FOR ADMINISTRATION.] The commissioner shall adopt permanent rules necessary to administer sections 3 to 15.

Subd. 2. [LIMING MATERIALS.] The commissioner may adopt rules governing the distribution, labeling, sale, handling, certification, use, application, storage, sampling, and analysis of liming materials.

Sec. 14. [17.744] [VIOLATIONS; PENALTY.]

Subdivision 1. [LICENSE.] The commissioner may cancel a license issued under sections 3 to 15 upon satisfactory evidence that the licensee has used fraudulent and deceptive practices in the evasion or attempted evasion of the provisions of this section. No license may be revoked until the licensee has been given opportunity for a hearing by the commissioner.

Subd. 2. [COMMISSIONER'S DISCRETION.] Nothing in sections 3 to 15 requires the commissioner to report a person for prosecution or issue a withdrawal from distribution (stop-sale) order as a result of a minor violation of sections 3 to 15 or when the commissioner believes the public interest will be best served by a suitable notice of warning in writing.

Sec. 15. [17.745] [ADMINISTRATIVE ACTION.]

Subdivision 1. [ADMINISTRATIVE REMEDIES.] The commissioner may seek to remedy violations of sections 3 to 15 or the commissioner's orders by a written warning, administrative meeting, cease and desist, stop-use, stop-sale, or other special order, stipulation, or agreement, if the commissioner determines that the remedy is in the public interest.

Subd. 2. [REVOCAION AND SUSPENSION.] The commissioner may, after written notice and hearing, revoke, suspend, or refuse to grant or renew a license if a person violates sections 3 to 15 or has a history of violations of sections 3 to 15.

Sec. 16. [INSTRUCTION TO REVISOR.]

In the next and all future editions of Minnesota Statutes, the revisor of statutes shall renumber the sections listed in column A to the numbers listed in column B:

Column A
17.7242
17.7243
17.7245

Column B
17.734
17.735
17.735, subdivision 3

The revisor shall also correct all cross-references to the renumbered sections.

Sec. 17. [REPEALER.]

Minnesota Statutes 1988, sections 17.7241; 17.7244; and 17.7246, are repealed.

Sec. 18. [REPEALER.]

Sections 3 to 15 are repealed effective June 30, 1991.

Sec. 19. [EFFECTIVE DATE.]

This article is effective the day following final enactment.

ARTICLE 11

ADVISORY TASK FORCE ON FARM SAFETY

Section 1. [ADVISORY TASK FORCE ON FARM SAFETY.]

Subdivision 1. [PURPOSE AND DUTIES.] An advisory task force on farm safety consisting of 11 members is established. The principal purpose of the task force is to determine ways in which the very high risks of accident and injury to farm operators and their families and employees can be minimized. The task force may review relevant research and studies by other groups and organizations within or outside of Minnesota. The task force may give particular attention to the safety of farm children and youth, accident prevention, equipment design, stress management, and safety education.

Subd. 2. [MEMBERSHIP.] The commissioner of agriculture shall appoint members of the task force who are broadly representative of groups with an interest in farm safety. At least one member must represent each of the following: farm operators; farm organizations; farm equipment manufacturers or dealers; the rural health care industry; the agricultural chemicals industry; and the insurance industry.

Subd. 3. [EXPENSES AND EXPIRATION.] Expenses and expiration of the task force are governed by Minnesota Statutes, section 15.059, subdivision 6.

Subd. 4. [STAFF ASSISTANCE.] The commissioner of agriculture shall provide staff assistance as required for efficient operation of the task force.

Subd. 5. [REPORTS.] On or before March 1, 1990, the task force shall report to the house and senate committees on agriculture its findings and recommendations for legislation on farm accident prevention and other public policy changes that would be likely to improve health and safety on Minnesota farms.

Subd. 6. [FUNDING.] In addition to money appropriated for purposes of this article, the commissioner may solicit from organizations and individuals contributions of money or in-kind services for purposes of the advisory task force and its report.

ARTICLE 12

FARM LAND OWNERSHIP, DEBT

Section 1. Minnesota Statutes 1988, section 47.20, subdivision 15, is amended to read:

Subd. 15. (a) Notwithstanding the provisions of any other law to the contrary, any notice of default on homestead property to which the provisions of chapter 583 apply, mailed after May 24, 1983 and prior to May 1, 1985, or after June 8, 1985, and prior to May 1, 1987, or after the effective date of this article and prior to May 1, 1991, shall indicate that the borrower has 60 days from the date the notice is mailed in which to cure the default. The notice shall include a statement that the borrower may be eligible for an extension of the time prior to foreclosure and execution sale under sections 583.01 to 583.12.

(b) The statement must be in bold type, capitalized letters, or other form sufficient for the reader to quickly and easily distinguish the statement from the rest of the notice. The requirements of this paragraph must be followed on notices mailed under this subdivision on or after August 1, 1985. A violation of this paragraph is a petty misdemeanor.

Sec. 2. Minnesota Statutes 1988, section 500.24, subdivision 6, is amended to read:

Subd. 6. [DISPOSAL OF LAND.] (a) A state or federal agency, limited partnership, or a corporation, ~~other than a family farm corporation or an authorized farm corporation,~~ may not lease or sell

agricultural land or a farm homestead that was acquired by enforcing a debt against the agricultural land or farm homestead, including foreclosure of a mortgage, accepting a deed in lieu of foreclosure, terminating a contract for deed, or accepting a deed in lieu of terminating a contract for deed, before offering or making a good faith effort to offer the land for sale or lease to the immediately preceding former owner at a price no higher than the highest price offered by a third party that is acceptable to the seller or lessor. The offer must be made on the notice to offer form under subdivision 7. The requirements of this subdivision do not apply to a sale or lease by a corporation that is a family farm corporation or an authorized farm corporation. This subdivision applies only to a sale or lease when the seller or lessor acquired the property by enforcing a debt against the agricultural land or farm homestead, including foreclosure of a mortgage, accepting a deed in lieu of foreclosure, terminating a contract for deed, or accepting a deed in lieu of terminating a contract for deed. Selling or leasing property to a third party at a price is prima facie evidence that the price is acceptable to the seller or lessor. The seller must provide written notice to the immediately preceding former owner that the agricultural land or farm homestead will be offered for sale at least 14 days before the agricultural land or farm homestead is offered for sale.

(b) An immediately preceding former owner is the entity with record legal title to the agricultural land or farm homestead before acquisition by the state or federal agency or corporation except: if the immediately preceding former owner is a bankruptcy estate, the debtor in bankruptcy is the immediately preceding former owner; and if the agricultural land or farm homestead was acquired by termination of a contract for deed or deed in lieu of termination of a contract for deed, the immediately preceding former owner is the purchaser under the contract for deed. For purposes of this subdivision, only a family farm, family farm corporation, or family farm partnership can be an immediately preceding former owner.

(c) An immediately preceding former owner may elect to purchase or lease the entire property or an agreed to portion of the property. If the immediately preceding former owner elects to purchase or lease a portion of the property, the election must be reported in writing to the seller or lessor prior to the time the property is first offered for sale or lease. If election is made to purchase or lease a portion of the property, the portion must be contiguous and compact so that it does not unreasonably reduce access to or the value of the remaining property.

(d) For purposes of this subdivision, the term "a price no higher than the highest price offered by a third party" means the acceptable cash price offered by a third party or the acceptable time-price offer made by a third party. A cash price offer is one that involves simultaneous transfer of title for payment of the entire amount of the offer. If the acceptable offer made by a third party is a time-price

offer, the seller or lessor must make the same time-price offer or an equivalent cash offer to the immediately preceding former owner. An equivalent cash offer is equal to the total of the payments made over a period of the time-price offer discounted by yield curve of the United States treasury notes and bonds on the first business day of the month in which the offer is personally delivered or mailed for time periods similar to the time period covered by the time-price offer, plus 2.0 percent. A time-price offer is an offer that is financed entirely or partially by the seller and includes an offer to purchase under a contract for deed or mortgage. An equivalent cash offer is not required to be made if the state participates in an offer to a third party through the rural finance authority.

(e) This subdivision applies to a seller when the property is sold and to a lessor each time the property is leased, for five years after the agricultural land is acquired except:

(1) an offer to lease to the immediately preceding former owner is required only until the immediately preceding owner fails to accept an offer to lease the property or the property is sold;

(2) an offer to sell to the immediately preceding former owner is required until the property is sold; and

(3) if the immediately preceding former owner elects to lease or purchase a portion of the property, this subdivision does not apply to the seller with regard to the balance of the property after the election is made under paragraph (c).

(f) The notice of an offer under subdivision 7 that is personally delivered with a signed receipt or sent by certified mail with a receipt of mailing to the immediately preceding former owner's last known address is a good faith offer.

(g) This subdivision does not apply to a sale or lease that occurs after the seller or lessor has held the property for five years or longer.

(h) For purposes of this subdivision, if the immediately preceding former owner is a bankruptcy estate the debtor in the bankruptcy is the immediately preceding owner.

(i) The immediately preceding former owner must exercise the right to lease all or a portion of the agricultural land or a homestead located on agricultural land in writing within 15 days after an offer to lease under this subdivision is mailed with a receipt of mailing or personally delivered. If election is made to lease only the homestead or a portion of the agricultural land, the portion to be leased must be clearly identified in writing. The immediately preceding former owner must exercise the right to buy the agricultural land, a portion

of the agricultural land, or a farm homestead located on agricultural land, in writing, within 65 days after an offer to buy under this subdivision is mailed with a receipt of mailing or is personally delivered. Within ten days after exercising the right to lease or buy by accepting the offer, the immediately preceding owner must fully perform according to the terms of the offer including paying the amounts due. A seller may sell and a lessor may lease the agricultural land or farm homestead subject to this subdivision to the third party in accordance with their lease or purchase agreement if:

(1) the immediately preceding former owner does not accept an offer to lease or buy before the offer terminates; or

(2) the immediately preceding former owner does not perform the obligations of the offer, including paying the amounts due, within ten days after accepting the offer.

(j) A certificate indicating whether or not the property contains agricultural land or a farm homestead that is signed by the county assessor where the property is located and recorded in the office of the county recorder or the registrar of titles where the property is located is prima facie evidence of whether the property is agricultural land or a farm homestead.

(k) As prima facie evidence that an offer to sell or lease agricultural land or a farm homestead has terminated, a receipt of mailing the notice under subdivision 7 and an affidavit, signed by a person authorized to act on behalf of a state, federal agency, or corporation selling or leasing the agricultural land or a farm homestead may be filed in the office of the county recorder or registrar of titles of the county where the agricultural land or farm homestead is located. The affidavit must state that:

(1) notice of an offer to buy or lease the agricultural land or farm homestead was provided to the immediately preceding former owner at a price not higher than the highest price offered by a third party that is acceptable;

(2) the time during which the immediately preceding former owner is required to exercise the right to buy or lease the agricultural land or farm homestead has expired;

(3) the immediately preceding former owner has not exercised the right to buy or lease the agricultural land or farm homestead as provided in this subdivision or has accepted an offer and has not fully performed according to the terms of the offer; and

(4) the offer to the immediately preceding former owner has terminated.

(l) The right of an immediately preceding former owner to receive an offer to lease or purchase agricultural land under this subdivision or to lease or purchase at a price no higher than the highest price offered by a third party that is acceptable to the seller or lessor may be extinguished or limited by an express statement signed by the immediately preceding owner that complies with the plain language requirements of section 325G.31. The right may not be extinguished or limited except by:

(1) an express statement in a deed in lieu of foreclosure of the agricultural land;

(2) an express statement in a deed in lieu of a termination of a contract for deed for the agricultural land;

(3) an express statement conveying the right to the state or federal agency or corporation owning the agricultural land that is required to make an offer under this subdivision, however, the preceding former owner may rescind the conveyance by notifying the state or federal agency or corporation in writing within 20 calendar days after signing the express statement;

(4) to cure a title defect, an express statement conveying the right may be made to a person to whom the agricultural land has been transferred by the state or federal agency or corporation; or

(5) an express statement conveying the right to a contract for deed vendee to whom the agricultural land or farm homestead was sold under a contract for deed by the immediately preceding former owner if the express statement and the contract for deed are recorded.

(m) The right of an immediately preceding former owner to receive an offer to lease or purchase agricultural land under this subdivision may not be assigned or transferred except as provided in paragraph (l), but may be inherited.

(n) An immediately preceding former owner, except a former owner who is actively engaged in farming as defined in subdivision 2, paragraph (a), and who agrees to remain actively engaged in farming on a portion of the agricultural land or farm homestead for at least one year after accepting an offer under this subdivision, may not sell agricultural land acquired by accepting an offer under this subdivision if the arrangement of the sale was negotiated or agreed to prior to the former owner accepting the offer under this subdivision. A person who sells property in violation of this paragraph is liable for damages plus reasonable attorney fees to a person who is damaged by a sale in violation of this paragraph. There is a rebuttable presumption that a sale by an immediately preceding former owner is in violation of this paragraph if the sale takes place within 180 days of the former owner accepting the offer under this

subdivision. This paragraph does not apply to a sale by an immediately preceding former owner to the owner's spouse, the owner's parents, the owner's sisters and brothers, the owner's spouse's sisters and brothers, or the owner's children.

Sec. 3. Minnesota Statutes 1988, section 550.37, subdivision 4a, is amended to read:

Subd. 4a. [ADJUSTMENT OF DOLLAR AMOUNTS.] (a) Except for subdivisions 5 and 7, the dollar amounts in this section shall change periodically as provided in this subdivision to the extent of changes in the implicit price deflator for the gross national product, 1972 = 100, compiled by the United States Department of Commerce, and hereafter referred to as the index. The index for December, 1980, is the reference base index.

(b) The designated dollar amounts shall change on July 1 of each even-numbered year if the percentage of change, calculated to the nearest whole percentage point, between the index for December of the preceding year and the reference base index is ten percent or more. The portion of the percentage change in the index in excess of a multiple of ten percent shall be disregarded and the dollar amounts shall change only in multiples of ten percent of the amounts stated in this section.

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

(d) The commissioner of commerce shall announce and publish:

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

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

(e) A person does not violate this chapter with respect to a transaction otherwise complying with this chapter if the person relies on dollar amounts either determined according to paragraph

(b) or appearing in the last publication of the commissioner announcing the then current dollar amounts.

Sec. 4. Minnesota Statutes 1988, section 550.37, subdivision 5, is amended to read:

Subd. 5. Farm machines and implements used in farming operations by a debtor engaged principally in farming, livestock, farm produce, and standing crops, not exceeding ~~\$10,000~~ \$13,000 in value. When a debtor is a partnership of spouses or a partnership of natural persons related to each other within the third degree of kindred according to the rules of the civil law, for the purposes of the exemption in this subdivision, the partners may elect to treat the assets of the partnership as assets of the individual partners.

Sec. 5. Minnesota Statutes 1988, section 550.37, subdivision 7, is amended to read:

Subd. 7. The total value of property selected by a debtor pursuant to subdivisions 5 and 6 shall not exceed ~~\$10,000~~ \$13,000, if the exemptions under subdivisions 5 and 6 are combined.

Sec. 6. Minnesota Statutes 1988, section 580.031, is amended to read:

580.031 [MINIMUM NOTICE:]

Notwithstanding the provisions of any other law to the contrary, eight weeks' published notice must be given prior to the foreclosure sale of a homestead to which sections 583.01 to 583.12 apply if the notice is published for the first time after May 24, 1983, and prior to May 1, 1985, after June 8, 1985, and prior to May 1, 1987, or after the effective date of Laws 1987, chapter 292, and prior to May 1, 1989, or after the effective date of this article and prior to May 1, 1991. The notice must contain the information specified in section 580.04.

At least eight weeks before the appointed time of sale, a copy of the notice must be served upon the person in possession of the mortgaged premises, if the premises are actually occupied.

Sec. 7. Minnesota Statutes 1988, section 583.24, subdivision 4, is amended to read:

Subd. 4. [DEBTS.] (a) The farmer-lender mediation act does not apply to a debt:

(1) for which a proof of claim form has been filed in bankruptcy by a creditor or that was listed as a scheduled debt, of a debtor who has

filed a petition in bankruptcy after July 1, 1987, under United States Code, title 11, chapter 7, 11, 12, or 13;

(2) if the debt was in default when the creditor received a mediation proceeding notice under the farmer-lender mediation act and the creditor filed a claim form, the debt was mediated during the mediation period under section 583.26, subdivision 8, and (i) the mediation was unresolved; or (ii) a mediation agreement with respect to that debt was signed;

(3) for which the creditor has served a mediation notice, the debtor has failed to make a timely request for mediation, and within 30 45 days after the debtor failed to make a timely request the creditor began a proceeding to enforce the debt against the agricultural property of the debtor;

(4) for which a creditor has received a mediation proceeding notice and the creditor and debtor have restructured the debt and have signed a separate mediation agreement with respect to that debt; or

(5) for which there is a lien for rental value of farm machinery under section 514.661 or a lien for rental value relating to a contract for deed subject to the farmer-lender mediation act under section 559.2091.

(b) For purposes of paragraph (a), clause (3), providing a copy of a forbearance policy is considered beginning a proceeding to enforce a debt if the board of an institution has adopted a forbearance policy that provides for deferring or rescheduling payments of principal or interest, renewal or extension of loan terms, reduction in the amount or rate of principal or interest due on a loan, or other similar actions, and requires that the debtor must receive a copy of the policy at least 20 days prior to loan acceleration or debt collection proceedings.

Sec. 8. Minnesota Statutes 1988, section 583.26, subdivision 1, is amended to read:

Subdivision 1. [MEDIATION NOTICE.] (a) A creditor desiring to start a proceeding to enforce a debt against agricultural property under chapter 580 or 581 or sections 336.9-501 to 336.9-508, to terminate a contract for deed to purchase agricultural property under section 559.21, or to garnish, levy on, execute on, seize, or attach agricultural property, must serve an applicable mediation notice under sections 336.9-501, 550.365, 559.209, and 582.039 on the debtor and the director. The creditor must also file with the director proof of the date the mediation notice was served on the debtor. The creditor may not begin the proceeding until the stay of the creditor's remedies is lifted under subdivision 5, or as allowed under sections 583.20 to 583.32.

(b) For purposes of the farmer-lender mediation act, starting a proceeding to enforce a debt means initiating a proceeding under chapter 550, 580, or 581; sections 336.9-501 to 336.9-508; or section 559.21.

(c) The director shall combine all mediation notices for the same debtor that are received prior to the initial mediation meeting into one mediation proceeding.

Sec. 9. Laws 1983, chapter 215, section 16, as amended by Laws 1984, chapter 474, section 7, as amended by Laws 1985, chapter 306, section 26, as amended by Laws 1987, chapter 292, section 36, is amended to read:

Sec. 16. [REPEALER.]

Sections 1 to 15 are repealed effective July 1, ~~1989~~ 1991, but any postponement or other relief ordered by a court continues to be valid for the period ordered by the court.

Sec. 10. Laws 1986, chapter 398, article 1, section 18, as amended by Laws 1987, chapter 292, section 37, is amended to read:

Sec. 18. [REPEALER.]

Sections 1 to 17 and Minnesota Statutes, section 336.9-501, subsections (6) and (7), and sections 583.284, 583.285, and 583.305, are repealed on July 1, ~~1989~~ 1991.

Sec. 11. [EFFECTIVE DATE.]

This article is effective the day following final enactment.

ARTICLE 13

LIVESTOCK REPORT DEADLINE

Section 1. Laws 1987, chapter 396, article 9, section 1, subdivision 4, as amended by Laws 1988, chapter 688, article 19, section 1, is amended to read:

Subd. 4. [REPORT.] The interdisciplinary study team shall prepare and deliver to the commissioner of agriculture a report on the results of the study. If feasible, the study team shall also submit the results of the study in a form appropriate for publication in one or more recognized scientific journals. The commissioner shall report results of the study to the house and senate committees on agriculture not later than August 1, ~~1989~~ 1991.

ARTICLE 14

AGRICULTURAL LANDLORD RENTAL INCENTIVE PROGRAM

Section 1. [41B.0395] [AGRICULTURAL LANDLORD RENTAL INCENTIVE PROGRAM.]

Subdivision 1. [ESTABLISHMENT.] The authority shall establish, develop criteria for, and administer an agricultural landlord rental incentive program to encourage owners of farmland to help beginning farmers enter farming.

Subd. 2. [ELIGIBILITY.] An owner of farmland is eligible to participate in the agricultural landlord rental incentive program if the owner rents the land to a farmer who:

(1) is a resident of Minnesota or a domestic family farm corporation, as defined in section 500.24, subdivision 2;

(2) is the principal operator of the farm;

(3) has not previously received assistance under sections 41B.01 to 41B.23;

(4) has sufficient education, training, or experience in the type of farming to be undertaken on the rented farmland;

(5) has a total net worth, including assets and liabilities of the renter's spouse and dependents, of less than \$100,000;

(6) shows an ability to pay the rent;

(7) shows that the agricultural land to be rented will be used for agricultural purposes;

(8) shows that farming will be the principal occupation of the renter;

(9) agrees to participate in a farm management program approved by the commissioner of agriculture for at least the first five years of the tenancy; and

(10) agrees to file a soil and water conservation plan with the soil and water conservation district. The commissioner of agriculture may compensate the landowner for an easement under section 40.43, subdivision 6, but is not required to do so.

Subd. 3. [PAYMENT TO LANDOWNER.] On application by an eligible owner of land, the authority shall pay the landowner, for no

more than five years, (1) an amount equal to the homestead credit the owner would have received if the land was homestead property; or (2) if the land is bare land or has no house on it, 20 percent of the gross property tax on up to 320 acres, but no more than \$1,000 per year.

Sec. 2. Minnesota Statutes 1988, section 308.12, subdivision 5, is amended to read:

Subd. 5. Notwithstanding the provisions of section 345.43, a cooperative association organized under the laws of this state ~~may~~ shall, in lieu of paying or delivering to the commissioner of commerce the unclaimed property specified in its report of unclaimed property, distribute the unclaimed property to a ~~corporation or organization which is exempt from taxation under section 290.05, subdivision 1, paragraph (b), or 2~~ the agricultural landlord rental incentive fund, which is established in the state treasury and which is annually appropriated to the rural finance authority for purposes of the agricultural landlord rental incentive program in section 1. A cooperative association making this election shall, within 20 days after the time specified in section 345.42 for claiming the property from the holder, file with the commissioner a verified written explanation of the proof of claim of any owner establishing a right to receive the abandoned property; any error in the presumption of abandonment; and the name, address, and exemption number of the corporation or organization to which the property was or is to be distributed and the approximate date of distribution to the agricultural landlord rental incentive fund. Nothing in this subdivision alters the procedure provided in sections 345.41 and 345.42 whereby cooperative associations report unclaimed property to the commissioner and claims of owners are made to the cooperative associations for a period of 65 days following the publication of lists of abandoned property. The rights of an owner to unclaimed property held by a cooperative association is extinguished upon the disbursement of the property by the cooperative association to a ~~tax-exempt organization~~ the agricultural landlord rental incentive fund in accordance with this section.

ARTICLE 15

MOTOR FUEL LABELING

Section 1. Minnesota Statutes 1988, section 239.79, subdivision 2, is amended to read:

Subd. 2. [~~GASOLINE ALCOHOL BLENDS; IDENTIFICATION PRODUCT INFORMATION AVAILABLE.~~] When gasoline blended with alcohol is sold, offered for sale, or dispensed for use in motor vehicles, the dispenser shall be clearly marked to identify the type of alcohol, if more than one percent by volume, blended with the

gasoline must be available to a customer, on request, at the site. The marking must consist of a white or yellow adhesive decal at least two inches by six inches with clearly printed black lettering at least one-half inch high and one-eighth inch in stroke. The marking shall be conspicuously displayed on both sides of the dispenser and state that the gasoline "CONTAINS ETHANOL" or "CONTAINS METHANOL" or has been "ETHANOL ENRICHED." This subdivision does not prohibit the posting of other alcohol or additive information. A sign stating "INFORMATION ON THE CONTENTS AND PROPERTIES OF MOTOR FUELS SOLD HERE IS AVAILABLE FROM THE SALES ATTENDANT" must be displayed conspicuously on the dispenser.

Sec. 2. Minnesota Statutes 1988, section 239.79, is amended by adding a subdivision to read:

Subd. 3. [MOTOR FUEL INFORMATION SHEET.] A materials safety data sheet fulfills the information requirements of subdivision 2.

ARTICLE 16

DAIRY INDUSTRY CHECK-OFF RATE

Section 1. Minnesota Statutes 1988, section 17.59, is amended by adding a subdivision to read:

Subdivision 1a. [DAIRY INDUSTRY CHECKOFF RATE.] Notwithstanding subdivision 1, the Minnesota dairy research and promotion order, or any provision to the contrary in this chapter or rules adopted under this chapter, the checkoff rate applicable to the dairy research and promotion council must be equal to the maximum credit allowed under the Dairy Promotion and Research Order, adopted under the Dairy Production Stabilization Act of 1983, United States Code, title 7, sections 4501 to 4538, for producers participating in a qualified state or regional dairy product promotion or nutrition education program. The checkoff rate provided in this subdivision is effective and must be automatically adjusted without the necessity of an amendment to the Minnesota dairy research and promotion order.

Subdivision 1 applies for the establishment of the checkoff rate applicable to the dairy research and promotion council if:

(1) the Dairy Production Stabilization Act of 1983 is repealed;

(2) the Dairy Promotion and Research Order is suspended or terminated, in which case subdivision 1 applies only during the period of suspension or termination; or

(3) the federal credit for participation in a qualified state or regional dairy product or nutrition education program is eliminated.

Sec. 2. [EFFECTIVE DATE.]

This article is effective July 1, 1989.

ARTICLE 17

ARBITRATION OF SEED CLAIMS

Section 1. [21.93] [ARBITRATION.]

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

(b) "Arbitration council" means the arbitration council established by rule.

(c) "Buyer" means a buyer of a seed for planting.

(d) "Seed claim" means a claim for damages for the failure of the seed for planting to produce or perform as represented by the label required to be attached to the seed under section 21.82, by warranty, or as a result of negligence.

(e) "Seller" means a seller of a seed for planting.

Subd. 2. [APPLICABILITY.] (a) This section applies to seed if conspicuous language notifying the buyer that claims for damages must be submitted to arbitration under this section before a legal action is started is stated on the analysis label under section 21.82 or other label attached to the seed bag or package.

(b) Arbitration is not required unless the notice under paragraph (a) is provided.

(c) If arbitration is required, the arbitration report is binding on all parties to the arbitration to the extent the parties have agreed to be bound in a contract governing the sale of the seed.

(d) In the absence of an agreement if a buyer has not agreed to be bound by arbitration, a buyer may begin a legal action for a seed claim against a seller or assert the seed claim as a counterclaim or defense in an action brought by the seller after the arbitration report is received.

Subd. 3. [ARBITRATION BEFORE INITIATING LEGAL CLAIM.] (a) A buyer must enter arbitration under this section

before beginning a legal action against a dealer or seller for damages resulting from a seed claim if the seed contains the label prescribed in subdivision 2, paragraph (a). Notwithstanding chapter 541, the applicable period of limitations to file a legal action for a seed claim is tolled from the time the buyer's claim is filed in arbitration until ten days after the arbitration report is filed with the commissioner.

(b) A seed claim for which the seed contains the label prescribed in subdivision 2, paragraph (a), may not be asserted by a buyer as a counterclaim or defense in a legal action brought by a seller against a buyer, until the buyer has filed the seed claim for arbitration. When the buyer files a written notice of intention to assert a seed claim as a counterclaim or defense in a seller's action against the buyer with a copy of the buyer's complaint filed in arbitration, the legal action of the seller against the buyer is stayed, and notwithstanding chapter 541 the applicable statute of limitations is suspended with respect to the claim, until ten days after the arbitration report is filed with the commissioner.

Subd. 4. [ARBITRATION REPORT AS EVIDENCE.] In legal action involving a seed claim that has been arbitrated under this section, a party may introduce the arbitration report as evidence of the facts found in the arbitration report. The court may consider the arbitration council's findings and conclusions of law and recommendations concerning damages and costs, as the court determines based on the evidence before the court. The court may consider findings of the arbitration council with respect to the failure of a party to cooperate in the arbitration proceedings, including a finding concerning the effect of delay in filing the arbitration claim on the arbitration council's ability to determine the facts of the case.

Subd. 5. [RULES.] (a) The commissioner shall by rule establish an arbitration council and procedures for the implementation of this section including the establishment of fees for application.

(b) The commissioner shall appoint members of the arbitration council.

ARTICLE 18

APPROPRIATIONS

Section 1. [SMALL RUMINANT SPECIALIST.]

\$40,000 is appropriated from the general fund to the University of Minnesota for use by the Minnesota extension service to fund a research and teaching position on small ruminant animals. This appropriation represents 25 percent of the anticipated total cost of the position that will be jointly funded to the extent of approxi-

mately 50 percent by the university college of veterinary medicine and 25 percent by the agricultural experiment stations in cooperation with the university department of animal science. This appropriation is available for the biennium ending June 30, 1991. The appropriation is nonrecurring and shall not be included in the base for the 1991-1993 biennial budget request.

Sec. 2. [KANARANZI-LITTLE ROCK WATERSHED DISTRICT.]

\$50,000 is appropriated from the general fund to the board of water and soil resources for a grant to the Kanaranzi-Little Rock watershed district for purposes of implementing a federal conservation project in the district. This appropriation is available for the biennium ending June 30, 1991.

Sec. 3. [AGRICULTURE INFORMATION CENTERS.]

\$250,000 is appropriated from the general fund to the commissioner of agriculture for agriculture information centers. \$125,000 of this appropriation is available without a nonstate match. The remaining \$125,000 may be released at the rate of one dollar for each dollar of matching nonstate money that is raised. The general fund appropriation is available until June 30, 1991.

Sec. 4. [LOW LIVESTOCK PRODUCTIVITY STUDY.]

\$50,000 is appropriated from the general fund to the commissioner of agriculture for purposes of the study required under article 13. Of this appropriation, not more than \$4,000 is available for administrative costs of the department of agriculture and mileage and expense reimbursements to members of the advisory board. This appropriation is available for the biennium ending June 30, 1991.

Sec. 5. [APPROPRIATIONS; COUNTY AND DISTRICT AGRICULTURAL SOCIETIES.]

\$75,000 is appropriated from the general fund to the commissioner of agriculture as supplemental funding to provide increased levels of state aid to county and district agricultural societies under Minnesota Statutes, section 38.02, during the biennium ending June 30, 1991.

Sec. 6. [PSEUDORABIES RESEARCH.]

\$200,000 is appropriated from the general fund to the University of Minnesota for further research on pseudorabies and the control or eradication of pseudorabies in Minnesota. Of this appropriation, \$100,000 is available for the first year and \$100,000 is available for the second year of the biennium ending June 30, 1991. The appro-

priation is nonrecurring and shall not be included in the base for the 1991-1993 biennial budget request.

Sec. 7. [PSEUDORABIES CONTROL.]

\$200,000 is appropriated from the general fund to the board of animal health for continuing and expanding a control program for pseudorabies in swine. The program must be coordinated by board of animal health personnel. This appropriation is for the biennium ending June 30, 1991, and is in addition to other appropriations to the board of animal health for pseudorabies control.

Sec. 8. [FORAGE AND TURF SEED SPECIALIST; CROOKSTON CAMPUS.]

\$96,000 is appropriated from the general fund to the University of Minnesota for a crop management specialist on seed production of forage and turf species in northern Minnesota, and for supplies, services, and expenses related to the specialist's work. The specialist must be located at the Crookston campus of the university. Of this appropriation, \$48,000 is available for the first year and \$48,000 is available for the second year of the biennium ending June 30, 1991. The appropriation is nonrecurring and shall not be included in the base for the 1991-1993 biennial budget request.

Sec. 9. [BARLEY RESEARCH AND PROMOTION.]

\$20,000 is appropriated from the general fund to the commissioner of agriculture to assist in the implementation of research and promotional orders for barley under Minnesota Statutes, sections 17.51 to 17.69. Of this appropriation, \$10,000 is available for the first year and \$10,000 is available for the second year of the biennium ending June 30, 1991.

Sec. 10. [17B.33] [INSPECTION COSTS; DULUTH.]

\$100,000 is appropriated from the general fund to the commissioner of agriculture to be applied to the mandated cost of state grain inspection at the Seaway Port Authority of Duluth. Of this appropriation, \$50,000 is available for the first year and \$50,000 is available for the second year of the biennium ending June 30, 1991. This appropriation is to be released at a rate not to exceed \$1 per metric ton of grain shipped in export.

Sec. 11. [VOCATIONAL PROGRAMS.]

\$200,000 is appropriated from the general fund to the state board of vocational technical education for:

(1) reduced tuition costs for existing farm business management and small business management programs;

(2) support staff and workshops to assist farm business management instructors in providing farmers' assistance with processing FmHA emergency drought loans and farm mediation;

(3) new staff for farm and small business management and beginning farmer programs; and

(4) evaluation of present available farm business analysis systems.

Of this appropriation, \$100,000 is available the first year and \$100,000 is available the second year of the biennium ending June 30, 1991. The appropriation is nonrecurring and shall not be included in the base for the 1991-1993 biennial budget request.

Sec. 12. [APPROPRIATION; ETHANOL PROMOTION.]

Notwithstanding Minnesota Statutes, section 41A.09, subdivision 1, \$75,000 is appropriated from the ethanol development fund established under Minnesota Statutes, section 41A.09, to the commissioner of agriculture for the biennium ending June 30, 1991, for the purpose of promoting ethanol fuel usage. Of this appropriation, \$37,500 is available for the first year and \$37,500 is available the second year of the biennium ending June 30, 1991.

Sec. 13. [FARMAMERICA.]

\$50,000 is appropriated from the general fund to the commissioner of agriculture to be disbursed to the Minnesota Agricultural Interpretive Center for operation of FARMAMERICA in Waseca county. Of this appropriation, \$25,000 is available for the first year and \$25,000 is available for the second year of the biennium ending June 30, 1991.

Sec. 14. [EMERGENCY HAYLIFT PROGRAM.]

\$100,000 is appropriated from the general fund to the commissioner of agriculture to be available until March 1, 1990, to continue operation of the emergency haylift operation begun as a response to the 1988 drought. Any amount of this appropriation that remains unencumbered after March 1, 1990, cancels to the general fund.

Sec. 15. [FEDERAL CROP INSURANCE PREMIUMS.]

\$2,500,000 is appropriated from the general fund to the commissioner of agriculture for making the federal crop insurance payment

under article 1, sections 1 to 3. This appropriation does not cancel but remains available for the biennium ending June 30, 1991.

Sec. 16. [DEGRADABLE CONTAINER EVALUATION.]

\$20,000 is appropriated from the general fund to the commissioner of agriculture for purposes of establishing container degradability criteria under article 2, section 2.

Sec. 17. [MINNESOTA-GROWN WIC COUPONS.]

\$125,000 is appropriated from the general fund to the commissioner of agriculture to be available for a demonstration project to provide Minnesota-grown coupons to participants in the federal supplemental food program for women, infants, and children under article 5. Of this appropriation, \$62,500 is available for the first year and \$62,500 is available for the second year of the biennium ending June 30, 1991.

Sec. 18. [COMMUNITY NEEDS ASSESSMENT MODEL.]

\$150,000 is appropriated from the general fund to the commissioner of administration for purposes of the community needs assessment model development under article 7.

Sec. 19. [CHEESE MARKETING STUDY.]

\$10,000 is appropriated from the general fund to the commissioner of agriculture for purposes of conducting the cheese marketing investigation under article 8. Any portion of this appropriation that remains unencumbered on July 1, 1990, cancels to the general fund.

Sec. 20. [GRASSHOPPER CONTROL PROGRAMS.]

\$50,000 is appropriated from the general fund to the commissioner of agriculture for purposes of the grasshopper control programs under article 9. This appropriation is available for either the first year or the second year of the biennium ending June 30, 1991.

Sec. 21. [AGRICULTURAL LIMING MATERIALS.]

\$75,000 is appropriated from the general fund to the commissioner of agriculture for purposes of the demonstration project in sections 17.7242 to 17.7245 and to support an agricultural liming material regulatory program. This appropriation is available until June 30, 1991.

Sec. 22. [TASK FORCE ON FARM SAFETY.]

\$5,000 is appropriated from the general fund to the commissioner of agriculture for purposes of the advisory task force on farm safety under article 11.

Sec. 23. [FARMER-LENDER MEDIATION COSTS.]

\$195,000 is appropriated from the general fund to the Minnesota Extension Service for expenses of the farmer-lender mediation program. \$97,500 of this appropriation is available for the first year and \$97,500 is available for the second year of the biennium ending June 30, 1991.

Sec. 24. [APPROPRIATION; SHIITAKE MUSHROOM CULTURE.]

\$180,000 is appropriated from the general fund to the commissioner of agriculture, to be matched on the basis of \$1 of nonstate money for each \$1 of this appropriation, for contracting for further study of the indoor culture of shiitake mushrooms grown on hardwood logs in Minnesota. This appropriation is available for the biennium ending June 30, 1991. As part of the contract, a report must be prepared and submitted to the chairs of the agriculture committees of the legislature by January 30, 1992.

Sec. 25. [FARM ADVOCATE PROGRAM.]

\$200,000 is appropriated from the general fund to the commissioner of agriculture for support of the farm advocates program. Of this appropriation, \$100,000 is available for the first year and \$100,000 is available for the second year of the biennium ending June 30, 1991.

Sec. 26. [AGRICULTURAL LANDLORD RENTAL INCENTIVE.]

\$300,000 is appropriated from the general fund to the rural finance authority for the biennium ending June 30, 1991, for the purposes of article 14.

Sec. 27. [ORGANICALLY GROWN CERTIFICATION PROGRAM.]

\$200,000 is appropriated from the general fund to the commissioner of agriculture for continuation of the certification program for organically grown food products established in Minnesota Statutes, section 31.95. Of this appropriation, \$100,000 is available for the first year and \$100,000 is available for the second year of the biennium ending June 30, 1991.

Sec. 28. [PURCHASE OF AGRICULTURE DEPARTMENT BUILDING.]

\$7,000,000 is appropriated from the state building fund to the commissioner of administration to purchase and remodel the agriculture department building located at 90 West Plato Boulevard, Saint Paul, Minnesota. The commissioner of administration may also negotiate a lease-purchase agreement.

Sec. 29. [BUILDING FUND.]

To provide money appropriated in section 28 from the state building fund, the commissioner of finance on request of the governor shall sell and issue bonds of the state in an amount up to \$7,000,000 in the manner, upon the terms, and with the effect prescribed in Minnesota Statutes, sections 16A.631 to 16A.675, and by the Minnesota Constitution, article XI, sections 4 to 7.

Sec. 30. [APPROPRIATION FOR DEBT SERVICE.]

\$1,100,000 is appropriated from the general fund to the state bond fund to pay principal and interest associated with the sale of state general obligation bonds authorized in section 29.

Sec. 31. [PURPLE LOOSESTRIFE ERADICATION.]

\$100,000 is appropriated from the general fund to the commissioner of agriculture to continue the program of purple loosestrife (*Lithrum salicaria*) eradication under Laws 1988, chapter 688, article 21, section 20. Of this appropriation, \$50,000 is available for the first year and \$50,000 is available for the second year of the biennium ending June 30, 1991.

Sec. 32. [ARBITRATION OF SEED CLAIMS.]

\$5,000 is appropriated from the general fund to the commissioner of agriculture for adopting rules to implement the program for arbitration of seed claims. This appropriation is available for the biennium ending June 30, 1991.

Sec. 33. [HEALTH SCREENING.]

\$150,000 is appropriated from the general fund for the biennium ending June 30, 1991, to the commissioner of agriculture to provide funding to the environmental pathology program of the University of Minnesota's department of laboratory medicine and pathology to conduct a health screening and intervention program for herbicide and fumigant applicators in the state. This appropriation is non-recurring and shall not be included in the base for the 1991-1993 biennial budget request.

Sec. 34. [EFFECTIVE DATE.]

Sections 14, 15, and 20 are effective the day following final enactment."

Delete the title and insert:

"A bill for an act relating to agriculture; providing partial premium payment for federal crop insurance; requiring lawn waste containers to be degradable; establishing uniformity with certain federal regulations; requiring the use of soy-oil based inks for printing under certain conditions; providing Minnesota-grown coupons to WIC coupon recipients at test sites; suspending certain noxious weed control practices during drought conditions; providing for development of a community needs assessment model; authorizing an investigation of cheese marketing institutions and practices; establishing a grasshopper control program; creating an agricultural liming materials law; establishing an advisory task force on farm safety; extending the farmer-lender mediation act and clarifying various provisions; extending the date for a report of the team study on low livestock productivity; changing certain requirements for motor vehicle fuel labeling; establishing an agricultural landlord rental incentive program; limiting liability of certain agricultural society board numbers; setting a dairy industry check-off rate; providing for arbitration of seed claims; providing for purchase of the agriculture department building; authorizing bond sales; appropriating money; amending Minnesota Statutes 1988, sections 17.7242, subdivisions 1 and 2; 17.59, by adding a subdivision; 31.101; 31.102, subdivision 1; 31.103, subdivision 1; 31.104; 31.11; 38.013; 47.20, subdivision 15; 1160.09, subdivision 5; 239.79, subdivision 2, and by adding a subdivision; 308.12, subdivision 5; 325E.045, subdivision 1, and by adding subdivisions; 500.24, subdivision 6; 550.37, subdivisions 4a, 5, and 7; 580.031; 583.24, subdivision 4; 583.26, subdivision 1; Laws 1983, chapter 215, section 16, as amended; Laws 1986, chapter 398, article 1, section 18, as amended; Laws 1987, chapter 396, article 9, section 1, subdivision 4, as amended; proposing coding for new law in Minnesota Statutes, chapters 16B; 17; 17B; 18; 21; 41B; and 169; repealing Minnesota Statutes 1988, sections 17.7241; 17.4244; 17.7246."

With the recommendation that when so amended the bill pass.

The report was adopted.

Long from the Committee on Taxes to which was referred:

H. F. No. 1181, A bill for an act relating to metropolitan government; regulating budgets; amending Minnesota Statutes 1988, sections 473.145; 473.1623, subdivision 4, and by adding subdivisions; 473.167, subdivisions 3 and 5; 473.173, subdivisions 3 and 4;

473.249, subdivision 1; repealing Minnesota Statutes 1988, section 473.249, subdivision 3.

Reported the same back with the following amendments:

Page 4, after line 1, insert:

"Sec. 5. Minnesota Statutes 1988, section 473.167, subdivision 2, is amended to read:

Subd. 2. [LOANS FOR ACQUISITION.] The council may make loans to counties, towns, and statutory and home rule charter cities within the metropolitan area for the purchase of property within the right-of-way of a state trunk highway shown on an official map adopted pursuant to section 394.361 or 462.359 or for the purchase of property within the proposed right-of-way of a principal or intermediate arterial highway designated by the council as a part of the metropolitan highway system plan and approved by the council pursuant to subdivision 1. The loans shall be made by the council, from the fund established pursuant to this subdivision, for purchases approved by the council. The loans shall bear no interest. The council shall make loans only: (1) to accelerate the acquisition of primarily undeveloped property when there is a reasonable probability that the property will increase in value before highway construction, and to update an expired environmental impact statement on a project for which the right-of-way is being purchased; or (2) to avert the imminent conversion or the granting of approvals which would allow the conversion of property to uses which would jeopardize its availability for highway construction. The council shall not make loans for the purchase of property at a price which exceeds the fair market value of the property or which includes the costs of relocating or moving persons or property. A private property owner may elect to receive the purchase price either in a lump sum or in not more than four annual installments without interest on the deferred installments. If the purchase agreement provides for installment payments, the council shall make the loan in installments corresponding to those in the purchase agreement. The recipient of an acquisition loan shall convey the property for the construction of the highway at the same price which the recipient paid for the property. The price may include the costs of preparing environmental documents that were required for the acquisition and that were paid for with money that the recipient received from the loan fund. Upon notification by the council that the plan to construct the highway has been abandoned or the anticipated location of the highway changed, the recipient shall sell the property at market value in accordance with the procedures required for the disposition of the property. All rents and other money received because of the recipient's ownership of the property and all proceeds from the conveyance or sale of the property shall be paid to the council. If a recipient is not permitted to include in the conveyance price the cost

of preparing environmental documents that were required for the acquisition, then the recipient is not required to repay the council an amount equal to 40 percent of the money received from the loan fund and spent in preparing the environmental documents. The proceeds of the tax authorized by subdivision 3, all money paid to the council by recipients of loans, and all interest on the proceeds and payments shall be maintained as a separate fund. For administration of the loan program the council may expend from the fund each year an amount no greater than three percent of the amount of the authorized levy for that year."

Page 8, line 1, after "assessing" insert "and determining"

Page 8, line 2, delete "or effect" and after the period insert "The statement may be amended by notice to all parties given at least seven days before the public hearing. The statement does not preclude council comment on the consistency of the proposed project with any plans or policies of the council."

Page 8, line 9, delete "Cross-examination must be allowed of"

Page 8, line 10, before the period, insert "may be questioned by the hearing committee or judge, or by other parties"

Page 8, line 11, delete everything after "proof" and insert "that a"

Page 8, line 12, delete "and must be met by a fair"

Page 8, delete line 13 and insert "is on the council."

Page 8, line 14, after "council" insert "on the metropolitan significance of a project" and after "on" insert "a fair preponderance of the"

Page 9, line 35, delete "5, 6, 9, and 11" and insert "6, 7, 10, and 12"

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 5, delete "subdivisions 3" and insert "subdivisions 2, 3,"

With the recommendation that when so amended the bill pass.

The report was adopted.

Anderson, G., from the Committee on Appropriations to which was referred:

S. F. No. 997, A bill for an act relating to the environment; authorizing the pollution control agency to assist persons in reviewing real property for petroleum tank releases and to be paid for such assistance; authorizing expenditures from the petroleum tank release compensation fund; changing the terms for reimbursement of petroleum tank release costs by the petroleum tank release compensation board; requiring notification by owners of aboveground tanks; amending Minnesota Statutes 1988, sections 115C.03, by adding a subdivision; 115C.08, subdivision 4; 115C.09; and 116.48.

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

The report was adopted.

SECOND READING OF HOUSE BILLS

H. F. Nos. 66, 189, 535, 629, 878 and 1181 were read for the second time.

SECOND READING OF SENATE BILLS

S. F. No. 997 was read for the second time.

MOTIONS AND RESOLUTIONS

Kalis moved that the names of Lieder; Carlson, D.; Lasley and Morrison be added as authors on H. F. No. 1764. The motion prevailed.

SUSPENSION OF RULES

McLaughlin moved that the rules be so far suspended that House Resolution No. 11 be recalled from the Committee on Rules and Legislative Administration and be placed upon its immediate adoption. The motion prevailed.

House Resolution No. 11 was reported to the House.

McLaughlin moved that House Resolution No. 11 be now adopted.

HOUSE RESOLUTION NO. 11

A house resolution commemorating the life and work of Richard Reginald Green.

Whereas, Richard Reginald Green was born May 27, 1936, in Arkansas; and

Whereas, his family moved to Minneapolis in 1938, and he attended Sumner School, Grant Elementary, Franklin Junior High, and Vocational High School, where he starred on the basketball and football teams; and

Whereas, he received a Bachelor's Degree at Augsburg College, where he was an all-conference basketball and football player, and a Master's Degree from St. Cloud State College; and

Whereas, after becoming a Minneapolis school teacher in 1959, he became assistant basketball coach, head coach, and then assistant principal at North High School; and

Whereas, after obtaining a doctorate degree in educational administration from the Harvard Graduate School of Education, he served as North High School principal for two years, being appointed superintendent of the West Area Schools in 1976; and

Whereas, he served as Minneapolis School Superintendent from 1980 to January 1988, and then named Chancellor of the New York City public school system, the largest in the nation with nearly one million students; *Now, Therefore*,

Be It Resolved by the House of Representatives of the State of Minnesota that it commemorates the life and work of Richard Reginald Green. He gained a nationwide reputation as an exciting and innovative leader. His concern for the welfare of all students of varied backgrounds has resulted in reform and improvement to the Minneapolis public school system.

Be It Further Resolved that the Chief Clerk of the House of Representatives is directed to prepare enrolled copies of this resolution, to be authenticated by his signature and that of the Speaker, and that they be presented to his wife, Gwen, and their four children.

The motion prevailed and House Resolution No. 11 was adopted.

ADJOURNMENT

Wynia moved that when the House adjourns today it adjourn until 12:00 noon, Monday, May 15, 1989. The motion prevailed.

Wynia moved that the House adjourn. The motion prevailed, and the Speaker declared the House stands adjourned until 12:00 noon, Monday, May 15, 1989.

EDWARD A. BURDICK, Chief Clerk, House of Representatives

STATE OF MINNESOTA

SEVENTY-SIXTH SESSION — 1989

FIFTY-SECOND DAY

SAINT PAUL, MINNESOTA, MONDAY, MAY 15, 1989

The House of Representatives convened at 12:00 noon and was called to order by Robert E. Vanasek, Speaker of the House.

Prayer was offered by Father Timothy L. Hodapp of Queen of Angels Catholic Church, Austin, Minnesota.

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	Frerichs	Lasley	Osthoff	Simoneau
Anderson, G.	Girard	Lieder	Ostrom	Skoglund
Anderson, R.	Greenfield	Limmer	Otis	Solberg
Battaglia	Gruenes	Long	Ozment	Sparby
Bauerly	Gutknecht	Lynch	Pappas	Stanius
Beard	Hartle	Macklin	Pauly	Steensma
Begich	Hasskamp	Marsh	Pellow	Swiggum
Bennett	Haukoos	McDonald	Pelowski	Swenson
Bertram	Heap	McEachern	Peterson	Tjornhom
Bishop	Henry	McGuire	Poppenhagen	Tompkins
Blatz	Himle	McLaughlin	Price	Trimble
Boo	Jacobs	McPherson	Pugh	Tunheim
Brown	Janezich	Milbert	Quinn	Uphus
Burger	Jaros	Miller	Redalen	Valento
Carlson, D.	Jefferson	Morrison	Reding	Vellenga
Carlson, L.	Jennings	Munger	Rest	Wagenius
Carruthers	Johnson, A.	Murphy	Rice	Waltman
Clark	Johnson, R.	Nelson, C.	Richter	Weaver
Conway	Johnson, V.	Nelson, K.	Rodosovich	Welle
Cooper	Kahn	O'Connor	Rukavina	Wenzel
Dauner	Kalis	Ogren	Runbeck	Williams
Dawkins	Kelly	Olsen, S.	Sarna	Winter
Dempsey	Kelso	Olsen, E.	Schafer	Wynia
Dille	Kinkel	Olson, K.	Scheid	Spk. Vanasek
Dorn	Knickerbocker	Omann	Schreiber	
Forsythe	Kostohryz	Onnen	Seaberg	
Frederick	Krueger	Orenstein	Segal	

A quorum was present.

Neuenschwander was excused.

Hugoson was excused until 2:35 p.m.

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

REPORTS OF CHIEF CLERK

Pursuant to Rules of the House, printed copies of H. F. Nos. 391, 618, 633, 121, 235, 354, 408, 927, 1764, 66, 189, 535, 629, 878 and 1181 and S. F. Nos. 775, 784, 1435, 84, 764, 989, 54, 957 and 1221 have been placed in the members' files.

S. F. No. 54 and H. F. No. 7, which had been referred to the Chief Clerk for comparison, were examined and found to be identical with certain exceptions.

SUSPENSION OF RULES

Forsythe moved that the rules be so far suspended that S. F. No. 54 be substituted for H. F. No. 7 and that the House File be indefinitely postponed. The motion prevailed.

S. F. No. 764 and H. F. No. 988, which had been referred to the Chief Clerk for comparison, were examined and found to be identical with certain exceptions.

SUSPENSION OF RULES

Gruenes moved that the rules be so far suspended that S. F. No. 764 be substituted for H. F. No. 988 and that the House File be indefinitely postponed. The motion prevailed.

S. F. No. 1435 and H. F. No. 1641, which had been referred to the Chief Clerk for comparison, were examined and found to be identical with certain exceptions.

SUSPENSION OF RULES

Blatz moved that the rules be so far suspended that S. F. No. 1435 be substituted for H. F. No. 1641 and that the House File be indefinitely postponed. The motion prevailed.

REPORTS OF STANDING COMMITTEES

Long from the Committee on Taxes to which was referred:

H. F. No. 515, A bill for an act relating to judicial procedure; clarifying, modifying, and recodifying tax court powers and procedures; making technical corrections and eliminating redundant and unnecessary language and obsolete references; amending Minnesota Statutes 1988, sections 270.07, subdivision 1; 270.10, by adding a subdivision; 271.01, subdivisions 1 and 5; 271.02; 271.04; 271.06, subdivisions 1, 2, 3, and 7; 271.07; 271.13; 271.15; 271.17; 271.18; 271.21, subdivisions 2 and 10; 277.011, subdivision 7; 278.01, subdivision 1; 278.02; 278.05, subdivision 4; 278.08, subdivision 1; 297.43, subdivision 1; and 297C.14, subdivision 1; proposing coding for new law in Minnesota Statutes, chapter 270; repealing Minnesota Statutes 1988, sections 60A.151; 271.01, subdivision 6; 271.061; 271.21, subdivision 4; and 271.22.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

“Section 1. [270.021] [EX-OFFICERS AND EX-EMPLOYEES NOT TO REPRESENT CLIENTS; PENALTY.]

An officer or employee of the department of revenue may not, for a period of one year after the term of office has ended or employment has terminated, act as counsel, attorney, or agent for a taxpayer in connection with a claim or proceeding pending in the department. An officer or employee of the department of revenue may not act as counsel, attorney, or agent for a taxpayer at any time after termination of the office or employment in connection with a claim or proceeding of which the person has knowledge that was acquired during the term of office or employment. A violation of this section is a gross misdemeanor.

Sec. 2. [270.022] [FILING OFFICERS.]

The commissioner of revenue is the filing officer and custodian of the books, files, and records of the department of revenue. The commissioner may certify copies of the books, files, and records in the custody of the commissioner for all purposes in the same manner as other custodians of public records. The commissioner may authorize other officers or employees of the department of revenue to certify books, files, and records in the custody of the commissioner. The authorization must be made by a written order stating the documents that may be certified and must be filed with the secretary of state.

Sec. 3. [270.0601] [TAX COURT APPEALS.]

The powers of examination, investigation, and subpoena, and the power to administer oaths and take testimony granted to the commissioner of revenue and officers and employees of the department of revenue in section 270.06 do not apply to a matter that has been appealed to the tax court.

Sec. 4. Minnesota Statutes 1988, section 270.07, subdivision 1, is amended to read:

Subdivision 1. (a) The commissioner of revenue shall prescribe the form of all blanks and books required under this chapter and shall hear and determine all matters of grievance relating to taxation. Except as otherwise provided by law, the commissioner shall have power to grant such reduction or abatement of gross tax capacities or taxes and of any costs, penalties or interest thereon as the commissioner may deem just and equitable, and to order the refundment, in whole or in part, of any taxes, costs, penalties or interest thereon which have been erroneously or unjustly paid. Application therefor shall be submitted with a statement of facts in the case and the favorable recommendation of the county board or of the board of abatement of any city where any such board exists, and the county auditor of the county wherein such tax was levied or paid. In the case of gross earnings taxes the application may be made directly to the commissioner without the favorable action of the county board and county auditor, and the commissioner shall direct that any gross earnings taxes which may have been erroneously or unjustly paid shall be applied against unpaid taxes due from the applicant for such refundment. In the case of taxes other than gross earnings taxes, the order may be made only on application and approval as provided in this paragraph. No reduction, abatement, or refundment of any special assessments made or levied by any municipality for local improvements shall be made unless it is also approved by the board of review or similar taxing authority of such municipality.

(b) The commissioner has the power to grant reductions or abatements of gross earnings tax. An application for reduction of gross earnings taxes may be made directly to the commissioner without the favorable action of the county board and county auditor. The commissioner shall direct that any gross earnings taxes that may have been erroneously or unjustly paid be applied against unpaid taxes due from the applicant.

(c) The commissioner shall forward to the county auditor a copy of the order made by the commissioner in all cases in which the approval of the county board is required.

(d) The commissioner may refer any question that may arise in reference to the true construction of this chapter to the attorney general, and the decision thereon shall be in force and effect until annulled by the judgment of a court of competent jurisdiction. The commissioner shall forward to the county auditor a copy of the order

by the commissioner made in all cases in which the approval of the county board is required.

(e) The commissioner may by written order abate, reduce, or refund any penalty or interest imposed by any law relating to taxation, if in the commissioner's opinion the failure to timely pay the tax or failure to timely file the return is due to reasonable cause. Such order shall, in the case of real and personal property taxes, be made only on application and approval as provided in this section; in the case of all other taxes, such The order shall be made on application of the taxpayer to the commissioner and.

(f) ~~If the~~ an order issued under this subdivision is for an abatement, reduction or refund of over \$5,000, it shall be valid only if approved in writing by the attorney general.

(g) An appeal may not be taken to the tax court from any order of the commissioner of revenue made in the exercise of the discretionary authority granted in this subdivision paragraph (a) with respect to the reduction or abatement of real or personal property taxes in response to a taxpayer's application for an abatement, reduction or refund of taxes, gross tax capacities, costs, penalties or interest.

Sec. 5. Minnesota Statutes 1988, section 270.10, is amended by adding a subdivision to read:

Subd. 1a. [NOTIFICATION TO TAXPAYER.] At the same time that notice of the assessment, determination, or order of the commissioner is given to a taxpayer, the taxpayer must be notified in writing of the right to appeal to the tax court, and if applicable, to the small claims division. In any notice of assessment, determination, or order dealing with property valuation or assessment for property tax purposes by the commissioner of revenue or a local unit of government, the taxpayer must be notified in writing that a taxpayer must appeal to the town or city board of equalization and to the county board of equalization before appealing to the small claims division of the tax court, except for those taxpayers whose original assessments are determined by the commissioner of revenue.

Sec. 6. Minnesota Statutes 1988, section 271.01, subdivision 1, is amended to read:

Subdivision 1. [MEMBERSHIP, APPOINTMENT, QUALIFICATIONS.] There is hereby created a tax court as an independent agency of the executive branch of the government. The tax court is a court of record. The tax court shall consist of three judges, each of whom shall be a citizen of the state, appointed by the governor, by and with the advice and consent of the senate, for a term of six years commencing at the expiration of the preceding term. Any vacancy shall be filled by the governor for the unexpired term, subject to

confirmation by the senate. The terms of the judges shall end on the first Monday in January. The terms of the judges shall be staggered. The initial three terms to be filled pursuant to Laws 1977, chapter 307 will expire on the first Monday in January in the following years: 1979, 1981, and 1983, the term of one judge expiring on the first Monday of each odd-numbered year. Judges may serve until their successors are appointed and qualify. They shall be selected on the basis of their experience with and knowledge of taxation and tax laws. The judges of the tax court shall be subject to the provisions of the Minnesota Constitution, article VI, section 6, the jurisdiction of the commission on judicial standards, as provided in sections 490.15 and 490.16, and the provisions of the code of judicial conduct.

Sec. 7. Minnesota Statutes 1988, section 271.01, subdivision 5, is amended to read:

Subd. 5. [JURISDICTION.] The tax court shall have statewide jurisdiction. Except for an appeal to the supreme court or any other appeal allowed under this subdivision, the tax court shall be the sole, exclusive, and final authority for the hearing and determination of all questions of law and fact arising under the tax laws of the state, as defined in this subdivision, in those cases that have been appealed to the tax court and in any case that has been transferred by the district court to the tax court. The tax court shall have no jurisdiction in any case that does not arise under the tax laws of the state or in any criminal case or in any case determining or granting title to real property or in any case that is under the jurisdiction of the probate court. The small claims division of the tax court shall have no jurisdiction in any case dealing with property valuation or assessment for property tax purposes until the taxpayer has appealed the valuation or assessment to the town or city board of equalization and to the county board of equalization, except for those taxpayers whose original assessments are determined by the commissioner of revenue. The tax court shall have no jurisdiction in any case involving an order of the state board of equalization unless a taxpayer contests the valuation of property. Only the Laws governing taxes, aids, and related matters contained in chapters 60A, 69, 124, 270, 272, 273, 274, 275, 276, 277, 278, 279, 285, 287, 288, 290, 290A, 291, 292, 293, 294, 295, 296, 297, 297A, 297B, 297C, 297D, 298, 299, 299F, 473, 473F, and 477A administered by the commissioner of revenue, laws dealing with property valuation, assessment or taxation of property for property tax purposes, and any other laws that contain provisions authorizing review of taxes, aids, and related matters by the tax court shall be considered tax laws of this state subject to the jurisdiction of the tax court. This subdivision shall not be construed to prevent an appeal, as provided by law, to an administrative agency, board of equalization, or to the commissioner of revenue. Wherever used in this chapter, the term commissioner shall mean the commissioner of revenue, unless otherwise specified.

Sec. 8. Minnesota Statutes 1988, section 271.02, is amended to read:

271.02 [OFFICERS.]

The judges of the tax court shall choose a chief judge of the tax court. The chief judge of the tax court shall appoint one of the judges to serve as the administrator, who shall be custodian of the court's files and records and shall coordinate and make hearing assignments. The administrator may, and appoint employees who shall be in the unclassified service. The chief judge who is appointed the administrator may delegate administrative duties to the employees appointed and may select one employee to act in the administrator's place as the assistant administrator. The court administrator of district court in each county shall be the court administrator of the tax court in that county. Filing fees and library fees deposited with the court administrator of district court in the capacity of court administrator of the tax court and in cases originally commenced in district court and transferred to the tax court shall be retained by the court administrator of district court. The court administrator of the tax court in each county shall be subject to the supervision of the administrator in tax court matters.

Sec. 9. Minnesota Statutes 1988, section 271.04, is amended to read:

271.04 [HEARINGS.]

The tax court shall hold hearings and meetings as may be prescribed by the rules of the tax court. The principal office of the tax court shall be at the capitol in Saint Paul, but it shall hold hearings at any other place within the state, so that taxpayers may appear before the court with as little inconvenience and expense to the taxpayer as is practicable. The tax court shall be allowed to use the district court and county court room in all of the counties. The administrator of the tax court shall consult with the court administrator of the district and county court judges involved before a schedule of court room to be used by the tax court is established. Each tax court judge may hear and decide cases. Upon petition by a party to a case, or upon a motion by a tax court judge, and approval by a majority of the tax court, a case may be tried before the entire tax court. When an appeal is taken by a resident taxpayer from an order of the commissioner, not involving property taxes, venue for the case shall be, at the election of the taxpayer, in Ramsey county or in the district court judicial district in which the taxpayer resides. Venue shall be in Ramsey county for an appeal taken by a nonresident taxpayer from an order of the commissioner. Venue for all other cases arising under the tax laws of the state shall be in the same judicial district as if the case was being tried in district court.

Sec. 10. Minnesota Statutes 1988, section 271.06, subdivision 1, is amended to read:

Subdivision 1. [MANNER.] Except as otherwise provided by in

section 270.07, subdivision 1, paragraph (a), or any other law, an appeal to the tax court may be taken, in the manner herein provided, from any official order of the commissioner of revenue respecting any tax, fee, or assessment, or any matter pertaining thereto, including the imposition of interest and penalty, or any matter concerning the tax laws listed in over which the court is granted jurisdiction under section 271.01, subdivision 5, by any person directly interested therein or affected thereby, or by any political subdivision of the state, directly or indirectly, interested therein or affected thereby, or by the attorney general in behalf of the state, or by any resident taxpayer of the state in behalf of the state in case the attorney general, upon request, shall refuse to appeal. Notwithstanding subdivision 2, when an appeal is taken to the tax court in any case dealing with property valuation, assessment, or taxation for property tax purposes, the provisions of section 274.19, subdivisions 4 and 5, section 277.011, and chapter 278 shall apply as if the appeal had been taken to the district court.

Sec. 11. Minnesota Statutes 1988, section 271.06, subdivision 2, is amended to read:

Subd. 2. [TIME; NOTICE; INTERVENTION.] Except as otherwise provided by law, within 60 days after notice of the making and filing of an order of the commissioner of revenue, the appellant, or the appellant's attorney, shall serve a notice of appeal upon the commissioner and file the original, with proof of such service, with the tax court administrator or with the court administrator of district court acting as court administrator of the tax court; provided, that a tax court judge, for cause shown, may by written order extend the time for appealing for an additional period not exceeding 30 days. The notice of appeal shall be in the form prescribed by the tax court. Within five days after receipt, the commissioner shall transmit a copy of the notice of appeal to the attorney general in all cases where the amount at issue exceeds \$100. The attorney general shall represent the commissioner, if requested, upon all such appeals except in cases where the attorney general has appealed in behalf of the state, or in other cases where the attorney general deems it against the interests of the state to represent the commissioner, in which event the attorney general may intervene or be substituted as an appellant in behalf of the state at any stage of the proceedings.

Upon a final determination of any other matter concerning the tax laws listed in over which the court is granted jurisdiction under section 271.01, subdivision 5, the taxpayer or the taxpayer's attorney shall file a petition or notice of appeal as provided by law with the court administrator of district court, acting in the capacity of court administrator of the tax court, with proof of service of the petition or notice of appeal as required by law and within the time required by law. As used in this subdivision, "final determination" includes a notice of assessment and equalization for the year in question

received from the local assessor, an order of the local board of equalization, or an order of a county board of equalization.

The tax court shall prescribe a filing system so that the notice of appeal or petition filed with the district court administrator acting as court administrator of the tax court is forwarded to the tax court administrator. In the case of an appeal or a petition concerning property valuation for which the assessor, a local board of equalization, a county board of equalization or the commissioner of revenue has issued an order, the officer issuing the order shall be notified of the filing of the appeal. The notice of appeal or petition shall be in the form prescribed by the tax court.

Sec. 12. Minnesota Statutes 1988, section 271.06, subdivision 3, is amended to read:

Subd. 3. [PLEADINGS.] Within ~~20~~ 30 days after the service and filing of the notice of appeal, unless the appeal be theretofore dismissed, the commissioner ~~or the appropriate unit of government~~ shall make, certify, and file with the tax court a return ~~comprising composed of a copy of any application or petition by which the proceeding was instituted and of any other material paper preceding the order of the commissioner or the appropriate unit of government, a copy of the order appealed from, a statement of each finding of fact and ruling of law made by the commissioner or the appropriate unit of government in the matter, all relevant correspondence or other communication, and a denial, admission, or explanation with respect to each allegation of fact in the notice so far as not covered by the order or findings; provided, that any judge of the tax court, for cause shown, may extend the time for filing such return for an additional period not exceeding 30 days. Where the commissioner is required to transmit a copy of the notice of appeal to the attorney general, the commissioner shall, within ten days after service of the notice of appeal upon the commissioner, transmit to the attorney general a complete copy of all papers required for the return. Allegations of new matter in the return shall be deemed to be denied by the appellant.~~

Sec. 13. Minnesota Statutes 1988, section 271.06, subdivision 7, is amended to read:

Subd. 7. [RULES.] The rules of evidence and civil procedure for the district court of Minnesota shall govern the procedures in the tax court, where practicable. ~~The rules of the tax court in effect on July 1, 1977 shall govern until superseded. The tax court may make additional rules when the law or special circumstances so require, provided that before any additional rule is adopted, the tax court first holds a public hearing thereon, affording all affected interests an opportunity to participate, and gives notice of its intention to hold a hearing at least 30 days prior to the date set for the hearing by United States mail, to representatives of associations or other~~

interested groups or persons who have registered their names with the court for that purpose and in the state register. The notice in the state register shall include the full text of the rule proposed for adoption. The tax court shall make available at least one free copy of the proposed rule to any person requesting it. At the public hearing the tax court shall make an affirmative presentation of facts establishing the need for and reasonableness of the rule proposed for adoption and fulfilling any relevant substantive or procedural requirements imposed on the tax court by law. After the hearing ends, 20 days shall be allowed for written material to be submitted and recorded in the hearing record. If the tax court approves the rule, the tax court shall promptly publish a notice of adoption in the state register. A rule is effective five working days after the notice of adoption is published in the state register unless a later date is specified in the rule. Any rule adopted after July 1, 1977, which is not published in the state register, shall be of no effect. The tax court is exempt from the administrative procedure act but, to the extent authorized by law to adopt rules, may use the provisions of section 14.38, subdivisions 5 to 9. The tax court may adopt rules under chapter 14. The rules in effect on January 1, 1989, apply until superseded.

Sec. 14. Minnesota Statutes 1988, section 271.07, is amended to read:

271.07 [STENOGRAPHIC REPORT; TRANSCRIPT.]

Except in the small claims division, the tax court shall provide for a verbatim stenographic report of all proceedings had before it upon appeals, as required by the laws relating to proceedings in district court. In case of a review by the supreme court of an order of the tax court, transcripts of the proceedings before the tax court shall be furnished to the tax court, the commissioner, and the attorney general upon request, and the cost thereof shall be paid out of funds appropriated therefor upon such terms as the tax court may prescribe. Transcripts shall be furnished to other parties by the reporter at the same legal rates applicable at the time to the district court reporters of the county in which the case was tried, but no transcript shall be made for or delivered to such other party unless the party shall deposit the estimated cost thereof, in advance, with the court administrator, subject to payment of the actual cost therefrom as soon as determined.

Sec. 15. Minnesota Statutes 1988, section 271.13, is amended to read:

271.13 [MAY COMPEL ATTENDANCE OF WITNESSES.]

The commissioner of revenue, The tax court, and each judge of the tax court shall, respectively, have power to subpoena and compel the attendance of witnesses and the production of books, records, papers,

and documents at any hearing or investigation at any place within the state in any matter within the scope of their authority, and shall also have power to administer oaths to witnesses and to take testimony under oath. Disobedience of an order of the tax court or any subpoena or refusal by any witness to be sworn or to testify upon any material matter at any such hearing or investigation shall be punishable in like manner as a contempt of the district court, in proceedings instituted upon complaint of the authority issuing the order or subpoena in the district court of the county where the order was made or the subpoena was made returnable. Subpoenas for witnesses or the production of documentary evidence shall be issued at the request of any party to the proceeding. Subpoenas may be signed by the commissioner or by a judge of the tax court or by the administrator or the court administrator of the tax court in on behalf of the tax court, as the case may be. The commissioner of revenue shall no longer exercise this power in any matter that has been appealed to the tax court.

Sec. 16. Minnesota Statutes 1988, section 271.15, is amended to read:

271.15 [WHO MAY ADMINISTER OATHS.]

The commissioner of revenue, Each judge of the tax court, the administrator and court administrators of the tax court, and all other officers and employees of the department and of the tax court shall, respectively, have power to administer oaths and to take and certify acknowledgments so far as they may deem necessary to the proper discharge of their respective duties, and may authenticate the same with the seal of the department or the tax court, as the case may be. The commissioner of revenue and any officer and employee of the department shall no longer exercise this power in any matter that has been appealed to the tax court.

Sec. 17. Minnesota Statutes 1988, section 271.17, is amended to read:

271.17 [FILING OFFICERS.]

The commissioner of the department of revenue and The tax court administrator and the district court administrators of the tax court shall be the filing officers and custodians of the books, files, and records of their respective agencies the tax court. The commissioner, administrator, and clerks, and their deputies shall, respectively, have power to certify and authenticate copies of the books, files, and records in their custody for all purposes in like manner and with like effect as other custodians of public records. Any other officer or employee of the department thereto authorized by the commissioner by written order filed with the secretary of state shall have like power to certify and authenticate copies of any books, files, and records of the department specified in the order, other than those of

the tax court. A judge of the tax court and any other officer or employee of the tax court thereto authorized by the tax court by written order filed with the administrator of the tax court shall also have like power to certify and authenticate copies of any books, files, and records of the tax court specified in the order.

Sec. 18. Minnesota Statutes 1988, section 271.18, is amended to read:

271.18 ~~[EX OFFICERS AND EX EMPLOYEES EX-JUDGES NOT TO REPRESENT CLIENTS; EXCEPTION; VIOLATION.]~~

No officer, judge, or employee of the department of revenue, or the tax court, except referees appointed for the small claims division, shall, within one year after the office or employment has terminated, act as counsel, attorney, or agent for a taxpayer in connection with any claim or proceeding pending in the department of revenue or in the tax court at the time of termination. No officer, judge, referee, or employee shall, at any time after the termination of the office or employment, act as counsel, attorney, or agent in connection with any claim or proceeding of which the person terminated has knowledge which was acquired in the course of a term of office or employment in the department or in the tax court. Any violation of the provisions of this section shall be a gross misdemeanor.

Sec. 19. Minnesota Statutes 1988, section 271.21, subdivision 2, is amended to read:

Subd. 2. At the election of the taxpayer, the small claims division shall have jurisdiction only in the following matters:

(a) any case concerning the in cases involving valuation, assessment, or taxation of residential property homesteaded by the taxpayer real or personal property, if the taxpayer has satisfied the requirements of section 271.01, subdivision 5, and in the case of nonhomestead property, the assessor's estimated market value is less than \$100,000; or

(b) any other case concerning the tax laws as defined in section 271.01, subdivision 5, in which the amount in controversy does not exceed \$5,000, including penalty and interest.

Sec. 20. Minnesota Statutes 1988, section 271.21, subdivision 10, is amended to read:

Subd. 10. Whenever the small claims division trial docket becomes congested with appeals involving valuation, classification, and assessment of property for tax purposes, the judges of the tax court may appoint referees to hear the property tax cases appealed to the small claims division. Each referee shall have authority to hear and

decide the cases heard as small claims referee. Each referee shall be a citizen of Minnesota and shall have experience with and knowledge of tax law or property taxation and property values, depending on the case at issue. A referee shall be paid at a rate of 80 percent of the salary of the judges of the county district court in that county, prorated by the length of time served as a referee. Each referee shall receive actual and necessary expenses paid or incurred in the performance of duties.

Sec. 21. Minnesota Statutes 1988, section 277.011, subdivision 7, is amended to read:

Subd. 7. [PENALTIES AND INTEREST.] If the tax be sustained in full as levied, the judgment shall include any penalties or interest which have then accrued thereon for failure to pay the same, or any part thereof, at the time required by law. If the tax is increased, the judgment must include penalty and interest on the unpaid part of the original tax assessment, but not on the amount of the increase in tax. If the tax be reduced, no penalties and interest shall be included in the judgment because of the failure to pay such reduced tax prior to the entry thereof. The judgment shall be subject to such interest or penalties as would under the law attach to the tax embraced therein after the entry thereof.

Sec. 22. Minnesota Statutes 1988, section 278.01, subdivision 1, is amended to read:

Subdivision 1. [DETERMINATION OF VALIDITY.] Any person having any estate, right, title, or interest in or lien upon any parcel of land, who claims that such property has been partially, unfairly, or unequally assessed in comparison with other property in the city or county, or that the parcel has been assessed at a valuation greater than its real or actual value, or that the tax levied against the same is illegal, in whole or in part, or has been paid, or that the property is exempt from the tax so levied, may have the validity of the claim, defense, or objection determined by the district court of the county in which the tax is levied or by the tax court by serving two copies of a petition for such determination upon the county auditor and one copy each on the county treasurer and the county attorney and filing the same, and one copy on the county treasurer. In counties where the office of county treasurer has been combined with the office of county auditor, the petitioner must serve the number of copies required by the county. The petitioner must file the copies with proof of service, in the office of the court administrator of the district court before the 16th day of May of the year in which the tax becomes payable. The county auditor shall immediately forward one copy of the petition to the appropriate governmental authority in a home rule charter or statutory city or town in which the property is located if that city or town employs its own certified assessor. A copy of the petition shall also be sent to the school board of the school district in which the property is located. A petition for determination under

this section may be transferred by the district court to the tax court. An appeal may also be taken to the tax court under chapter 271 at any time following receipt of the valuation notice required by section 273.121 but prior to May 16 of the year in which the taxes are payable.

Sec. 23. Minnesota Statutes 1988, section 278.02, is amended to read:

278.02 [PETITION MAY INCLUDE SEVERAL PARCELS.]

Such petition need not be in any particular form, but shall clearly identify the land involved and shall set forth in concise language the claim, defense, or objection asserted. Several parcels of land in or upon which the petitioner has an estate, right, title, interest, or lien may be included in the same petition, but only if they are in the same city or town, except that contiguous property overlapping city or town boundaries may be included in one petition.

Sec. 24. Minnesota Statutes 1988, section 278.03, is amended to read:

278.03 [PAYMENT OF TAX.]

If the proceedings instituted by the filing of the petition have not been completed before the 16th day of May next following the filing, the petitioner shall pay to the county treasurer 50 percent of the tax levied for such year against the property involved, unless permission to continue prosecution of the petition without such payment is obtained as herein provided. If the proceedings instituted by the filing of the petition have not been completed by the next October 16, or, in the case of class 1b agricultural homestead, class 2a agricultural homestead, and class 2c agricultural nonhomestead property, November 16, the petitioner shall pay to the county treasurer 50 percent of the unpaid balance of the taxes levied for the year against the property involved if the unpaid balance is \$2,000 or less and 80 percent of the unpaid balance if the unpaid balance is over \$2,000, unless permission to continue prosecution of the petition without payment is obtained as herein provided. The petitioner, upon ten days notice to the county attorney and to the county auditor, given at least ten days prior to the 16th day of May or the 16th day of October, or, in the case of class 1b agricultural homestead, class 2a agricultural homestead, and class 2c agricultural nonhomestead property, the 16th day of November, may apply to the court for permission to continue prosecution of the petition without payment; and, if it is made to appear

- (1) That the proposed review is to be taken in good faith;
- (2) That there is probable cause to believe that the property may

be held exempt from the tax levied or that the tax may be determined to be less than 50 percent of the amount levied; and

(3) That it would work a hardship upon petitioner to pay the taxes due,

the court may permit the petitioner to continue prosecution of the petition without payment, or may fix a lesser amount to be paid as a condition of continuing the prosecution of the petition.

Failure to make payment of the amount required when due before May 16 of the year the taxes at issue become due shall operate automatically to dismiss the petition and all proceedings thereunder unless the payment is waived by an order of the court permitting the petitioner to continue prosecution of the petition without payment. The county treasurer shall, upon request of the petitioner, issue duplicate receipts for the tax payment, one of which shall be filed by the petitioner in the proceeding.

Sec. 25. Minnesota Statutes 1988, section 278.05, subdivision 4, is amended to read:

Subd. 4. [SALES RATIO STUDIES AS EVIDENCE.] The sales ratio studies published by the department of revenue, or any part of the studies, or any copy of the studies or records accumulated to prepare the studies which is prepared by the commissioner of revenue for use in determining school aids shall be admissible in evidence as a public record without the laying of a foundation if the sales prices used in the study are adjusted for the terms of the sale to reflect market value and are adjusted to reflect the difference in the date of sale compared to the assessment date. In addition to the study published by the department of revenue, the tax court may use a study developed for a particular region of a county or counties. Additional evidence relevant to the sales ratio study is also admissible. No sales ratio study received into evidence shall be conclusive or binding on the court and evidence of its reliability or unreliability may be introduced by any party including, but not limited to, evidence of inadequate adjustment of sale prices for terms of financing, inadequate adjustment of sales prices to reflect the difference in the date of sale compared to the assessment date, and inadequate sample size.

No reduction in value on the grounds of discrimination shall be granted on the basis of a sales ratio study published by the department of revenue or another study used by the tax court unless

(a) the sales prices are adjusted for the terms of the sale to reflect market value,

(b) the sales prices are adjusted to reflect the difference in the date of sale compared to the assessment date, and

(c) there is an adequate sample size.

Sec. 26. Minnesota Statutes 1988, section 278.08, subdivision 1, is amended to read:

Subdivision 1. [TAXES DUE INTEREST; PENALTY.] Whether or not the tax is sustained in full as levied or increased and section 278.03 notwithstanding, the judgment shall include any interest which has accrued on the taxes for failure to pay the taxes or any part of the taxes as provided in sections 279.01 and 279.03. If the tax is reduced, no penalty shall be included in the judgment because of the failure to pay the reduced tax prior to entry of judgment. After the judgment is entered, it shall be subject to interest and penalty at the rates provided in chapter 279 for delinquent payment of property taxes. The judgment must include the following interest:

(1) if the tax is sustained in full, interest on the unpaid part of the tax computed under section 279.03;

(2) if the tax is increased, interest on the unpaid part of the tax as originally assessed computed under section 279.03;

(3) if the tax is reduced, interest on the difference between the tax as recomputed and the amount previously paid computed under section 279.03.

If the tax is sustained or increased, penalty on the unpaid part of the tax as originally assessed computed under section 279.01 must be included in the judgment.

Sec. 27. Minnesota Statutes 1988, section 297.43, subdivision 1, is amended to read:

Subdivision 1. [PENALTY ON UNPAID TAX.] If a tax imposed by this chapter, or any part of it, is not paid within the time required for the payment, or an extension of time, or within 30 days after final determination of an appeal to the tax court relating to it if the taxpayer is not required to pay the amount in dispute pending appeal under section 271.061, there shall be added to the tax a penalty equal to three percent of the amount remaining unpaid if the failure is for not more than 30 days, with an additional penalty of three percent of the amount of tax remaining unpaid during each additional 30 days or fraction thereof, not exceeding 24 percent in the aggregate.

Sec. 28. Minnesota Statutes 1988, section 297C.14, subdivision 1, is amended to read:

Subdivision 1. [PENALTY ON UNPAID TAX.] If a tax imposed by this chapter, or any part of it, is not paid within the time required for the payment, or an extension of time, or within 30 days after final determination of an appeal to the tax court relating to it if the taxpayer is not required to pay the amount in dispute pending appeal under section 271.061, there shall be added to the tax a penalty equal to three percent of the amount remaining unpaid if the failure is for not more than 30 days, with an additional penalty of three percent of the amount of tax remaining unpaid during each additional 30 days or fraction thereof, not exceeding 24 percent in the aggregate.

Sec. 29. [REPEALER.]

(a) Minnesota Statutes 1988, sections 271.01, subdivision 6; 271.21, subdivision 4; and 271.22, are repealed.

(b) Minnesota Statutes 1988, sections 60A.151 and 271.061, are repealed.

Sec. 30. [EFFECTIVE DATE.]

Section 24 is effective the day following final enactment and applies to petitions dismissed on or after that date."

Delete the title and insert:

"A bill for an act relating to judicial procedure; clarifying, modifying, and recodifying tax court powers and procedures; making technical corrections and eliminating redundant and unnecessary language and obsolete references; amending Minnesota Statutes 1988, sections 270.07, subdivision 1; 270.10, by adding a subdivision; 271.01, subdivisions 1 and 5; 271.02; 271.04; 271.06, subdivisions 1, 2, 3, and 7; 271.07; 271.13; 271.15; 271.17; 271.18; 271.21, subdivisions 2 and 10; 277.011, subdivision 7; 278.01, subdivision 1; 278.02; 278.03; 278.05, subdivision 4; 278.08, subdivision 1; 297.43, subdivision 1; and 297C.14, subdivision 1; proposing coding for new law in Minnesota Statutes, chapter 270; repealing Minnesota Statutes 1988, sections 60A.151; 271.01, subdivision 6; 271.061; 271.21, subdivision 4; and 271.22."

With the recommendation that when so amended the bill pass.

The report was adopted.

Long from the Committee on Taxes to which was referred:

H. F. No. 1023, A bill for an act relating to agriculture; changing the agricultural land preservation law; amending Minnesota Stat-

utes 1988, sections 40A.02, subdivision 10; 40A.04, subdivision 1; 40A.10; 40A.11, subdivision 4; 40A.17; 273.119; and 473H.03, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapter 40A; repealing Minnesota Statutes 1988, section 40A.123, subdivision 3.

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

The report was adopted.

Long from the Committee on Taxes to which was referred:

H. F. No. 1709, A bill for an act relating to commerce; regulating divesting transactions involving a principal domestic subsidiary; authorizing the metropolitan airports commission to approve a change in control of a major tenant at the Minneapolis-St. Paul International Airport; modifying standards that may be considered by certain investment fiduciaries; providing for worker and consumer protections after a leveraged buyout; imposing a tax on golden parachute compensation agreements; providing assistance to employee-owned businesses; amending Minnesota Statutes 1988, sections 41A.02, subdivision 16; 41A.036, subdivisions 2 and 5; 80B.01, subdivisions 1, 10, and by adding subdivisions; 116J.873, subdivision 1; and 116N.08, by adding a subdivision; 268.07, subdivision 2; and 302A.011, subdivision 41, and by adding subdivisions; proposing coding for new law in Minnesota Statutes, chapters 80B; 290; 300; 302A; and 325E; proposing coding for new law as Minnesota Statutes, chapters 268A; and 360A.

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

The report was adopted.

Long from the Committee on Taxes to which was referred:

H. F. No. 1726, A bill for an act relating to public finance; providing conditions and requirements for the issuance and use of public debt; amending Minnesota Statutes 1988, sections 298.2211, subdivision 4; 400.101; 430.06, by adding a subdivision; 469.015, subdivision 4; 469.152; 469.153, subdivision 2; 469.154, subdivisions 3 and 5; 469.155, subdivisions 2, 3, and 5; 471.56, subdivision 5; 473.541, subdivision 3, and by adding a subdivision; 473.811, subdivision 2; 475.51, by adding subdivisions; 475.54, subdivision 4, and by adding a subdivision; 475.55, subdivision 6, and by adding a subdivision; 475.60, subdivisions 1, 2, and 3; 475.66, subdivision 1; and 475.79; proposing coding for new law in Minnesota Statutes, chapters 469 and 473.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1988, section 298.2211, subdivision 4, is amended to read:

Subd. 4. [OBLIGATIONS NOT STATE DEBT.] Bonds and other obligations issued by the commissioner pursuant to this section, along with all related documents, are not general obligations of the state of Minnesota and are not subject to section 16B.06. The full faith and credit and taxing powers of the state are not and may not be pledged for the payment of these bonds or other obligations, and no person has the right to compel the levy of any state tax for their payment or to compel the appropriation of any moneys of the state for their payment except as specifically provided herein. These bonds and obligations shall be payable solely from the property and moneys derived by the commissioner pursuant to the authority granted in this section that the commissioner pledges to their payment. All these bonds or other obligations must contain the provisions of this subdivision or words to the same effect on their face.

Sec. 2. Minnesota Statutes 1988, section 400.101, is amended to read:

400.101 [BONDS.]

The county, by resolution, may authorize the issuance of bonds to provide funds for the acquisition or betterment of solid waste facilities, related transmission facilities, or property or property rights for the facilities, for improvements of a capital nature to respond, as defined in section 115B.02, to releases from closed solid waste facilities, or for refunding any outstanding bonds issued for any such purpose, and may pledge to the payment of the bonds and the interest thereon, its full faith, credit, and taxing powers, or the proceeds of any designated tax levies, or the gross or net revenues or charges to be derived from any facility operated by or for the county, or any combination thereof. Except as otherwise provided in this section, the bonds must be issued and sold in accordance with the provisions of chapter 475. The proceeds of the bonds may be used in part to establish a reserve as further security for the payment of the principal and interest of the bonds when due. Revenue Bonds issued under this section may be sold at public or private sale upon conditions that the county board determines, but any bonds issued after May 22, 1991, to which the full faith and credit and taxing powers of the county are pledged must be sold in accordance with the provisions of chapter 475. No election is required to authorize the issuance of bonds under this section.

Sec. 3. Minnesota Statutes 1988, section 430.06, is amended by adding a subdivision to read:

Subd. 5. [ALTERNATIVE METHOD OF COMPUTING INSTALLMENTS.] In lieu of the determinations of assessment installments provided in subdivision 1, the council may by resolution provide for the payment of annual installments in any manner permitted under section 429.061, subdivision 2.

Sec. 4. Minnesota Statutes 1988, section 469.015, subdivision 4, is amended to read:

Subd. 4. [EXCEPTION; CERTAIN PROJECTS.] An authority need not require either competitive bidding or performance bonds in the case of a contract for the acquisition of a low rent housing project for which financial assistance is provided by the federal government, and which does not require any direct loan or grant of money from the municipality as a condition of the federal financial assistance, and where the contract provides for the construction of such a project upon land not owned by the authority at the time of the contract, or owned by the authority for redevelopment purposes, and provides for the conveyance or lease to the authority of the project or improvements upon completion of construction. In exercising, pursuant to any general or special law, any power under this chapter, an authority need not require competitive bidding with respect to a structured parking facility constructed in conjunction with, and directly above or below, a development and financed with the proceeds of tax increment or parking ramp revenue bonds. An authority need not require competitive bidding in the case of a housing development project ~~that~~ if:

(1) the project is financed with the proceeds of bonds secured by the project and to which the full faith and credit of the authority is not pledged issued under section 469.034;

(2) the project is located on land that is not owned by the authority at the time the contract is entered into, or is owned by the authority only for development purposes, and provides for conveyance or lease to the authority of the project or improvements upon completion of construction; and

(3) is constructed or rehabilitated under agreements with a developer for the construction of the project, guarantee of the bonds, and management of the property; and (4) is found by the authority to require negotiation rather than use of a competitive bidding procedure the authority finds and determines that elimination of the public bidding requirements is necessary in order for the housing development project to be economical and feasible.

Sec. 5. Minnesota Statutes 1988, section 469.152, is amended to read:

469.152 [PURPOSES.]

The welfare of the state requires the active promotion, attraction, encouragement, and development of economically sound industry and commerce through governmental action for the purpose of preventing the emergence of blighted and marginal lands and areas of chronic unemployment. It is the policy of the state to facilitate and encourage action by local government units to prevent the economic deterioration of such areas to the point where the process can be reversed only by total redevelopment through the use of local, state, and federal funds derived from taxation, necessitating relocating displaced persons and duplicating public services in other areas. By the use of the powers and procedures described in sections 469.152 to 469.165, local government units and their agencies and authorities responsible for redevelopment and economic development may prevent occurrence of conditions requiring redevelopment, or aid in the redevelopment of existing areas of blight, marginal land, and avoidance of substantial and persistent unemployment.

The welfare of the state further requires the provision of necessary health care facilities, so that adequate health care services are available to residents of the state at reasonable cost. The welfare of the state further requires the provision of county jail facilities for the purpose of providing adequately for the care, control, and safeguarding of civil rights of prisoners. The welfare of the state requires that, whenever feasible, employment opportunities made available in part by sections 469.152 to 469.165 or other state law providing for similar financing mechanisms should be offered to individuals who are unemployed or who are economically disadvantaged.

The welfare of the state further requires that, whenever feasible, action should be taken to reduce the cost of borrowing by local governments for public purposes.

Sec. 6. Minnesota Statutes 1988, section 469.153, subdivision 2, is amended to read:

Subd. 2. [PROJECT.] (a) "Project" means (1) any properties, real or personal, used or useful in connection with a revenue producing enterprise, or any combination of two or more such enterprises engaged or to be engaged in generating, transmitting, or distributing electricity, assembling, fabricating, manufacturing, mixing, processing, storing, warehousing, or distributing any products of agriculture, forestry, mining, or manufacture, or in research and development activity in this field; (2) any properties, real or personal, used or useful in the abatement or control of noise, air or water pollution, or in the disposal of solid wastes, in connection with a revenue producing enterprise, or any combination of two or more such enterprises engaged or to be engaged in any business or industry; (3) any properties, real or personal, used or useful in

connection with the business of telephonic communications, conducted or to be conducted by a telephone company, including toll lines, poles, cables, switching and other electronic equipment and administrative, data processing, garage and research and development facilities; (4) any properties, real or personal, used or useful in connection with a district heating system, consisting of the use of one or more energy conversion facilities to produce hot water or steam for distribution to homes and businesses, including cogeneration facilities, distribution lines, service facilities and retrofit facilities for modifying the user's heating or water system to use the heat energy converted from the steam or hot water.

(b) "Project" also includes any properties, real or personal, used or useful in connection with a revenue producing enterprise, or any combination of two or more such enterprises engaged in any business.

(c) "Project" also includes any properties, real or personal, used or useful for the promotion of tourism in the state. Properties may include hotels, motels, lodges, resorts, recreational facilities of the type that may be acquired under section 471.191, and related facilities.

(d) "Project" also includes any properties, real or personal, used or useful in connection with a revenue producing enterprise, whether or not operated for profit, engaged in providing health care services, including hospitals, nursing homes, and related medical facilities.

(e) "Project" does not include any property to be sold or to be affixed to or consumed in the production of property for sale, and does not include any housing facility to be rented or used as a permanent residence.

(f) "Project" also means the activities of any revenue producing enterprise involving the construction, fabrication, sale, or leasing of equipment or products to be used in gathering, processing, generating, transmitting, or distributing solar, wind, geothermal, biomass, agricultural or forestry energy crops, or other alternative energy sources for use by any person or any residential, commercial, industrial, or governmental entity in heating, cooling, or otherwise providing energy for a facility owned or operated by that person or entity.

(g) "Project" also includes any properties, real or personal, used or useful in connection with a county jail or county regional jail, the plans for which are approved by the commissioner of corrections; provided that the provisions of section 469.155, subdivisions 7 and 13, do not apply to those projects.

(h) "Project" also includes any real properties used or useful in

furtherance of the purposes and policies of sections 469.135 to 469.141.

(i) "Project" also includes related facilities as defined by section 471A.02, subdivision 11.

(j) "Project" also includes an undertaking to purchase the obligations of local governments located in whole or in part within the boundaries of the municipality that are issued or to be issued for public purposes.

Sec. 7. Minnesota Statutes 1988, section 469.154, subdivision 3, is amended to read:

Subd. 3. [CONDITIONS; APPROVAL.] No municipality or redevelopment agency shall undertake any project authorized by sections 469.152 to 469.165, except a project referred to in section 469.153, subdivision 2, paragraph (g) or (j), unless its governing body finds that the project furthers the purposes stated in section 469.152, nor until the commissioner has approved the project, on the basis of preliminary information the commissioner requires, as tending to further the purposes and policies of sections 469.152 to 469.165. The commissioner may not approve any projects relating to health care facilities except as permitted under subdivision 6. Approval shall not be deemed to be an approval by the commissioner or the state of the feasibility of the project or the terms of the revenue agreement to be executed or the bonds to be issued therefor, and the commissioner shall state this in communicating approval.

Sec. 8. Minnesota Statutes 1988, section 469.154, subdivision 5, is amended to read:

Subd. 5. [INFORMATION TO ENERGY AND ECONOMIC DEVELOPMENT AUTHORITY.] Each municipality and redevelopment agency upon entering into a revenue agreement, except one pertaining to a project referred to in section 469.153, subdivision 2, paragraph (g) or (j), shall furnish the energy and economic development authority on forms the authority prescribes the following information concerning the project: The name of the contracting party, the nature of the enterprise, the location, approximate number of employees, the general terms and nature of the revenue agreement, the amount of bonds or notes issued, and other information the energy and economic development authority deems advisable. The energy and economic development authority shall keep a record of the information which shall be available to the public at times the authority prescribes.

Sec. 9. Minnesota Statutes 1988, section 469.155, subdivision 2, is amended to read:

Subd. 2. [PROJECT ACQUISITION.] It may acquire, construct, and hold any lands, buildings, easements, water and air rights, improvements to lands and buildings, and capital equipment to be located permanently or used exclusively on a designated site and solid waste disposal and pollution control equipment, and alternative energy equipment and inventory, regardless of where located, that are deemed necessary in connection with a project to be situated within the state, and construct, reconstruct, improve, better, and extend the project. It may also pay part or all of the cost of an acquisition and construction by a contracting party under a revenue agreement.

In the case of a project described in section 469.153, subdivision 2, paragraph (j), it may purchase obligations issued by a local unit of government that is located in whole or in part within the boundaries of the municipality at public sale, or at private sale if the obligations may be sold in that manner under the law authorizing their issuance. The obligations must be issued under a capital improvement plan or program of at least five years.

Sec. 10. Minnesota Statutes 1988, section 469.155, subdivision 3, is amended to read:

Subd. 3. [REVENUE BONDS.] It may issue revenue bonds, in anticipation of the collection of revenues of a project to be situated within the state, to finance, in whole or in part, the cost of the acquisition, construction, reconstruction, improvement, betterment, or extension thereof. It may issue revenue bonds to purchase the obligations of local government units located in whole or in part within the boundaries of the municipality.

Sec. 11. Minnesota Statutes 1988, section 469.155, subdivision 5, is amended to read:

Subd. 5. [REVENUE AGREEMENTS.] It may enter into a revenue agreement with any person, firm, or public or private corporation or federal or state governmental subdivision or agency so that payments required thereby to be made by the contracting party are fixed and revised as necessary to produce income and revenue sufficient to provide for the prompt payment of principal of and interest on all bonds issued hereunder when due. The revenue agreement must also provide that the contracting party is required to pay all expenses of the operation and maintenance of the project including adequate insurance thereon and insurance against all liability for injury to persons or property arising from its operation, and all taxes and special assessments levied upon or with respect to the project and payable during the term of the revenue agreement. During the term of the revenue agreement, except as provided in subdivision 17, a tax shall be imposed and collected upon the project or, pursuant to the provisions of section 272.01, subdivision 2, for the privilege of using and possessing the project, in the same amount

and to the same extent as though the contracting party were the owner of all real and personal property comprising the project. No revenue agreement is required in connection with a project described in section 469.153, subdivision 2, paragraph (j).

Sec. 12. Minnesota Statutes 1988, section 471.56, subdivision 5, is amended to read:

Subd. 5. In addition to other authority granted by this section, a county containing a city of the first class, a statutory or home rule charter city of the first or second class, and a metropolitan commission, as defined in section 473.121, may:

(1) sell futures contracts but only with respect to securities owned by it, including securities which are the subject of reverse repurchase agreements under section 475.76 which expire at or before the due date of the futures contract; and

(2) enter into option agreements to buy or sell securities described in section 475.66, subdivision 3, clause (a), including option agreements to sell securities owned by it which are the subject of reverse repurchase agreements under section 475.76 which expire at or before the due date of the option agreement.

Sec. 13. [473.132] [SHORT-TERM INDEBTEDNESS.]

The council may issue certificates of indebtedness or capital notes to purchase equipment to be owned and used by the council and having an expected useful life of at least as long as the terms of the certificates or notes. The certificates or notes shall be payable in not more than five years and shall be issued on such terms and in such manner as the council may determine, and for this purpose the council may secure payment of the certificates or notes by resolution or by trust indenture entered into by the council with a corporate trustee within or outside the state, and by a mortgage in the equipment financed. The total principal amount of the notes or certificates issued in a fiscal year should not exceed one-half of one percent of the tax capacity of the metropolitan area for that year. The full faith and credit of the council shall be pledged to the payment of the certificates or notes, and a tax levy shall be made for the payment of the principal and interest on the certificates or notes, in accordance with section 475.61, as in the case of bonds issued by a municipality. The tax levy authorized by this section must be deducted from the amount of taxes the council is otherwise authorized to levy under section 473.249.

Sec. 14. Minnesota Statutes 1988, section 473.541, is amended by adding a subdivision to read:

Subd. 4. [REVENUE BONDS.] (a) The council may, by resolution,

authorize the issuance of revenue bonds for any purpose for which general obligation bonds may be issued under subdivision 3. The bonds shall be sold, issued, and secured in the manner provided in chapter 475 for bonds payable solely from revenues, except as otherwise provided in this subdivision, and the council shall have the same powers and duties as a municipality and its governing body in issuing bonds under that chapter. The bonds shall be payable from and secured by a pledge of all or any part of revenues receivable under section 473.517, shall not, and shall state they do not, represent or constitute a general obligation or debt of the council, and shall not be included in the net debt of any city, county, or other subdivision of the state for the purpose of any net debt limitation. The proceeds of the bonds may be used to pay credit enhancement fees.

(b) The bonds may be secured by a bond resolution, or a trust indenture entered into by the council with a corporate trustee within or outside the state, which shall define the revenues and bond proceeds pledged for the payment and security of the bonds. The pledge shall be a valid charge on the revenues received under section 473.517. No mortgage of or security interest in any tangible real or personal property shall be granted to the bondholders or the trustee, but they shall have a valid security interest in the revenues and bond proceeds received by the council and pledged to the payment of the bonds as against the claims of all persons in tort, contract, or otherwise, irrespective of whether such parties have notice thereof and without possession or filing as provided in the uniform commercial code or any other law, subject, however, to the rights of the holders of any general obligation bonds issued under subdivision 3. In the bond resolution or trust indenture, the council may make such covenants as it determines to be reasonable for the protection of the bondholders, including a covenant to issue general obligation bonds to refund the revenue bonds if and to the extent required to pay principal and interest on the bonds and to certify a deficiency tax levy as provided in section 473.521, subdivision 4.

(c) Neither the council, nor any council member, officer, employee, or agent of the council, nor any person executing the bonds shall be liable personally on the bonds by reason of their issuance. The bonds shall not be payable from nor a charge upon any funds other than the revenues and bond proceeds pledged to the payment thereof, nor shall the council be subject to any liability thereon or have the power to obligate itself to pay or to pay the bonds from funds other than the revenues and bond proceeds pledged, and no holder or holders of bonds shall ever have the right to compel any exercise of the taxing power of the council (except any deficiency tax levy the council covenants to certify under section 473.521, subdivision 4) or any other public body, to the payment of principal of or interest on the bonds, nor to enforce payment thereof against any property of the council or other public body other than that expressly pledged for the payment thereof.

Sec. 15. Minnesota Statutes 1988, section 473.811, subdivision 2, is amended to read:

Subd. 2. [COUNTY FINANCING OF FACILITIES.] Each metropolitan county may by resolution authorize the issuance of bonds to provide funds for the acquisition or betterment of solid waste facilities, related transmission facilities, or property or property rights for the facilities, for improvements of a capital nature to respond, as defined in section 115B.02, to releases from closed solid waste facilities, or for refunding any outstanding bonds issued for any such purpose. The county may pledge to the payment of the bonds and the interest thereon, its full faith, credit and taxing powers, or the proceeds of any designated tax levies, or the gross or net revenues or charges to be derived from any facility operated by or for the county, or any combination thereof. Taxes levied for the payment of the bonds and interest shall not reduce the amounts of other taxes which the county is authorized by law to levy. The proceeds of the bonds may be used in part to establish a reserve as further security for the payment of the principal and interest of the bonds when due. ~~Revenue~~ Bonds issued pursuant to this section may be sold at public or private sale upon such conditions as the county board shall determine, but any bonds issued after May 22, 1991, to which the full faith and credit and taxing powers of the county are pledged shall be sold in accordance with the provisions of chapter 475. No election shall be required to authorize the issuance of the bonds. Except as otherwise provided, the bonds shall be issued and sold in accordance with the provisions of chapter 475.

Sec. 16. Minnesota Statutes 1988, section 475.51, is amended by adding a subdivision to read:

Subd. 13. [OTHER GOVERNMENTAL UNIT.] "Other governmental unit" means any public corporation, authority, governmental unit, or other political subdivision of the state of Minnesota that is not a municipality.

Sec. 17. Minnesota Statutes 1988, section 475.54, subdivision 4, is amended to read:

Subd. 4. [REDEMPTION.] Any obligation may be issued reserving the right of redemption and payment thereof prior to maturity, at par and accrued interest or at such premium and at such time or times as shall be determined by the governing body. Notice of the call of any prepayable obligation shall be published in a daily or weekly periodical published in a Minnesota city of the first class, or its metropolitan area, which circulates throughout the state and furnishes financial news as a part of its service; provided that published notice of the call need not be given if the obligation is in registered form and notice has been mailed to the registered holder of the obligation. When any such obligation has been validly called for redemption in accordance with its terms, and the principal

thereof and all interest thereon to the date of redemption have been paid or deposited with the paying agent, interest thereon shall cease; provided that no obligation issued subsequent to July 1, 1967, shall be deemed validly called for redemption unless the notice herein required has been published or so mailed prior to the date fixed for its redemption. If actual notice of the call has been given through a different means of communication, the holder of an obligation may waive published or mailed notice.

Sec. 18. Minnesota Statutes 1988, section 475.60, subdivision 1, is amended to read:

Subdivision 1. [ADVERTISEMENT.] All obligations shall be negotiated and sold by the governing body, except when authority therefor is delegated by the governing body or by the charter of the municipality to a board, department, or officers of the municipality. Except as provided in section 475.56, obligations shall be sold at not less than par value plus accrued interest to date of delivery. Except as provided in subdivision 2 all obligations shall be sold at public sale after notice given at least ten days in advance by publication in a legal newspaper having general circulation in the municipality and ten days in advance by publication in a daily or weekly periodical, published in a Minnesota city of the first class, or its metropolitan area, which circulates throughout the state and furnishes financial news as a part of its service.

Sec. 19. Minnesota Statutes 1988, section 475.60, subdivision 2, is amended to read:

Subd. 2. [REQUIREMENTS WAIVED.] The requirements as to public sale shall not apply to:

(1) obligations issued under the provisions of a home rule charter or of a law specifically authorizing a different method of sale, or authorizing them to be issued in such manner or on such terms and conditions as the governing body may determine;

(2) obligations sold by an issuer in an amount not exceeding the total sum of \$1,200,000 in any 12-month period;

(3) obligations issued by a governing body other than a school board in anticipation of the collection of taxes or other revenues appropriated for expenditure in a single year, if sold in accordance with the most favorable of two or more proposals solicited privately;

(4) obligations sold to any board, department, or agency of the United States of America or of the state of Minnesota, in accordance with rules or regulations promulgated by such board, department, or agency;

(5) obligations issued to fund pension and retirement fund liabilities under section 475.52, subdivision 6, obligations issued with tender options under section 475.54, subdivision 5a, crossover refunding obligations referred to in section 475.67, subdivision 13, and any issue of obligations comprised in whole or in part of obligations bearing interest at a rate or rates which vary periodically referred to in section 475.56; and

(6) obligations to be issued for a purpose, in a manner, and upon terms and conditions authorized by law, if the governing body of the municipality, on the advice of bond counsel or special tax counsel, determines that interest on the obligations cannot be represented to be excluded from gross income for purposes of federal income taxation; and

(7) obligations issued in the form of an installment purchase contract, lease purchase agreement, or other similar agreement.

Sec. 20. Minnesota Statutes 1988, section 475.60, subdivision 3, is amended to read:

Subd. 3. [PUBLISHED NOTICE.] Published notice, where required, shall specify the maximum principal amount of the obligations, the place of receipt and consideration of bids and such other details as to the obligations and terms of sale as the governing body deems suitable. The published notice shall either specify the date and time for receipt of bids or provide that the bids will be received at a date and time not less than ten nor more than 60 days after the date of publication. If the published notice does not state the specific date or amount for the sale, it shall specify the manner in which notice of the date or amount of the sale will be given to prospective bidders. Notification of prospective bidders shall be given by electronic data transmission or other form of communication common to the municipal bond trade at least four days (omitting Saturdays, Sundays, and legal holidays) before the date for receipt of bids. If within five days after the date of publication a prospective bidder requests in writing to be notified by mail, the municipality shall do so. Failure to give the notice as described in the preceding sentence to a bidder shall not affect the validity of the sale or of the obligations. The governing body may employ an agent to receive and open the bids at any place within or outside the corporate limits of the municipality, in the presence of an officer of the municipality or the officer's designee, but the obligations shall not be sold except by action of the governing body or authorized officers of the municipality after communication of the bids to them. Additional notice may be given for such time and in such manner as the governing body deems suitable. At the time and place so fixed, the bids shall be opened and the offer complying with the terms of sale and deemed most favorable shall be accepted, but the governing body may reject any and all such offers, in which event, or if no offers have been received, it may award the obligations to any person who within 30

days thereafter presents an offer complying with the terms of sale and deemed more favorable than any received previously, or upon like notice the governing body may invite other bids upon the same or different terms and conditions, except that if the original published notice does not state the specific date or amount for the sale and if the material terms and conditions of the sale remain the same, except for the date and amount, notice of the date or amount may be given in the manner provided above.

Sec. 21. Minnesota Statutes 1988, section 475.79, is amended to read:

475.79 [POWERS AVAILABLE TO OTHER POLITICAL SUBDIVISIONS.]

Any powers granted to a municipality under this chapter, other than the power to issue general obligation bonds and levy taxes, may be exercised by any other public corporation, authority, governmental unit, or other political subdivision of the state of Minnesota that is not a municipality. This grant of authority does not limit the powers granted to an entity under any other law.

Sec. 22. [APPLICATION.]

Sections 13, 14, and 16 apply in the counties of Anoka, Carver, Dakota, Hennepin, Ramsey, Scott, and Washington.

Sec. 23. [EFFECTIVE DATE.]

Sections 1 to 22 are effective the day following final enactment."

Delete the title and insert:

"A bill for an act relating to public finance; providing conditions and requirements for the issuance of debt; amending Minnesota Statutes 1988, sections 298.2211, subdivision 4; 400.101; 430.06, by adding a subdivision; 469.015, subdivision 4; 469.152; 469.153, subdivision 2; 469.154, subdivisions 3 and 5; 469.155, subdivisions 2, 3, and 5; 471.56, subdivision 5; 473.541, by adding a subdivision; 473.811, subdivision 2; 475.51, by adding a subdivision; 475.54, subdivision 4; and 475.60, subdivisions 1, 2, and 3; proposing coding for new law in Minnesota Statutes, chapter 473."

With the recommendation that when so amended the bill pass.

The report was adopted.

Long from the Committee on Taxes to which was referred:

S. F. No. 46, A bill for an act relating to taxation; exempting leased hangars at airports in small cities from property taxation; amending Minnesota Statutes 1988, sections 272.01, subdivision 2; and 273.19, subdivision 1.

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

The report was adopted.

Long from the Committee on Taxes to which was referred:

S. F. No. 1239, A bill for an act relating to Roseau county; providing increased bonding authority for hospital districts in the county; amending Laws 1961, chapter 115, section 4, as amended.

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

The report was adopted.

Long from the Committee on Taxes to which was referred:

S. F. No. 1278, A bill for an act relating to taxation; extending the duration of a property tax exemption for land held for economic development by the city of Hermantown; amending Laws 1988, chapter 719, article 19, section 31.

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

The report was adopted.

SECOND READING OF HOUSE BILLS

H. F. Nos. 515, 1023, 1709 and 1726 were read for the second time.

SECOND READING OF SENATE BILLS

S. F. Nos. 54, 764, 1435, 46, 1239 and 1278 were read for the second time.

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 File, herewith returned:

H. F. No. 1287, A bill for an act relating to commerce; securities; exempting nonissuer sales of securities issued by the state, its subdivisions, or instrumentalities from regulation; amending Minnesota Statutes 1988, section 80A.15, subdivision 2.

PATRICK E. FLAHAVEN, Secretary of the Senate

Mr. Speaker:

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

H. F. No. 527, A bill for an act relating to state parks; requiring collection facilities for recycling containers in state parks; proposing coding for new law in Minnesota Statutes, chapter 85.

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

PATRICK E. FLAHAVEN, Secretary of the Senate

Mr. Speaker:

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

H. F. No. 333, A bill for an act relating to recreational vehicles; regulating all-terrain vehicles; setting fees; revising liability provisions regarding county administered lands, recreational areas and the Minnesota zoological garden; imposing a penalty; amending Minnesota Statutes 1988, sections 3.736, subdivision 3; 84.92, subdivision 1, and by adding subdivisions; 84.922, subdivisions 1 and 5, and by adding subdivisions; 84.924, subdivision 3; 84.9256, subdivisions 1, 2, and 3; 84.928, subdivisions 1, 2, and 6; 84.929; 169.02, subdivision 1; and 171.03; repealing Minnesota Statutes 1988, sections 84.922, subdivision 8; 84.925, subdivision 2; 84.928, subdivision 7; and 466.03, by adding a subdivision.

The Senate has appointed as such committee:

Messrs. Vickerman; Peterson, R. W., and Knaak.

Said House File is herewith returned to the House.

PATRICK E. FLAHAVEN, Secretary of the Senate

Mr. Speaker:

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

H. F. No. 1454, A bill for an act relating to Itasca county; authorizing a petition to annex unorganized territory to the town of Spang to be signed by residents of the town.

The Senate has appointed as such committee:

Messrs. Lessard and Schmitz and Ms. Olson.

Said House File is herewith returned to the House.

PATRICK E. FLAHAVEN, Secretary of the Senate

Mr. Speaker:

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

H. F. No. 245, A bill for an act relating to environment; exempting generators of small amounts of hazardous waste from administrative regulation; amending Minnesota Statutes 1988, section 116.07, subdivision 2.

PATRICK E. FLAHAVEN, Secretary of the Senate

Jennings moved that the House refuse to concur in the Senate amendments to H. F. No. 245, that the Speaker appoint a Conference Committee of 3 members of the House, and that the House requests that a like committee be appointed by the Senate to confer on the disagreeing votes of the two houses. The motion prevailed.

Mr. Speaker:

I hereby announce the passage by the Senate of the following

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

H. F. No. 135, A bill for an act relating to juvenile court; limiting the court's authority to transfer legal custody of a child for the purpose of obtaining special treatment or care; clarifying the grounds for terminating parental rights to a child; clarifying the liability of persons who provide outreach services to runaways; amending Minnesota Statutes 1988, sections 260.015, subdivision 2a; 260.191, subdivision 1; 260.221, subdivisions 1 and 3; and 260.315.

PATRICK E. FLAHAVEN, Secretary of the Senate

CONCURRENCE AND REPASSAGE

Pappas moved that the House concur in the Senate amendments to H. F. No. 135 and that the bill be repassed as amended by the Senate. The motion prevailed.

H. F. No. 135, A bill for an act relating to juvenile court; limiting the court's authority to transfer legal custody of a child for the purpose of obtaining special treatment or care; clarifying the grounds for terminating parental rights to a child; clarifying the liability of persons who provide outreach services to runaways; amending Minnesota Statutes 1988, sections 260.015, subdivision 2a; 260.191, subdivision 1; 260.221, subdivisions 1 and 3; and 260.315.

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

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

Those who voted in the affirmative were:

Abrams	Carruthers	Gutknecht	Kahn	McDonald
Anderson, G.	Clark	Hartle	Kalis	McEachern
Anderson, R.	Conway	Hasskamp	Kelly	McGuire
Battaglia	Cooper	Haukoos	Kelso	McLaughlin
Bauerly	Dauner	Heap	Kinkel	McPherson
Beard	Dawkins	Henry	Knickerbocker	Milbert
Begich	Dempsey	Himle	Kostohryz	Miller
Bennett	Dille	Jacobs	Krueger	Morrison
Bertram	Dorn	Janezich	Lasley	Munger
Blatz	Forsythe	Jaros	Lieder	Murphy
Boo	Frederick	Jefferson	Limmer	Nelson, C.
Brown	Frerichs	Jennings	Long	Nelson, K.
Burger	Girard	Johnson, A.	Lynch	O'Connor
Carlson, D.	Greenfield	Johnson, R.	Macklin	Ogren
Carlson, L.	Gruenes	Johnson, V.	Marsh	Olsen, S.

Olson, E.	Pelowski	Rukavina	Stanius	Waltman
Olson, K.	Peterson	Runbeck	Steenasma	Weaver
Omann	Poppenhagen	Sarna	Sviggum	Welle
Onnen	Price	Schafer	Swenson	Wenzel
Orenstein	Pugh	Scheid	Tjornhom	Williams
Osthoff	Quinn	Schreiber	Tompkins	Winter
Ostrom	Redalen	Seaberg	Trimble	Wynia
Otis	Reding	Segal	Tunheim	Spk. Vanasek
Ozment	Rest	Simoneau	Uphus	
Pappas	Rice	Skoglund	Valento	
Pauly	Richter	Solberg	Vellenga	
Pellow	Rodosovich	Sparby	Wagenius	

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. 761, A bill for an act relating to judgments; providing a reasonable exemption for employee benefits; amending Minnesota Statutes 1988, section 550.37, subdivision 24.

PATRICK E. FLAHAVEN, Secretary of the Senate

Simoneau moved that the House refuse to concur in the Senate amendments to H. F. No. 761, that the Speaker appoint a Conference Committee of 3 members of the House, and that the House requests that a like committee be appointed by the Senate to confer on the disagreeing votes of the two houses. The motion prevailed.

Mr. Speaker:

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

S. F. No. 1358, A bill for an act relating to metropolitan airport planning; requiring various actions, plans, and reports by the metropolitan council and the metropolitan airports commission; establishing a state advisory council on metropolitan airport planning; providing for a study on the effects of a runway expansion at Airlake airport and the use of certain airports to relieve congestion at Minneapolis-St. Paul international airport; amending Minnesota Statutes 1988, sections 473.604, subdivision 1; 473.608, subdivision 1; and 473.621, subdivision 1a; proposing coding for new law in Minnesota Statutes, chapter 473.

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

Messrs. Moe, R. D.; Knutson and Brandl.

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

PATRICK E. FLAHAVEN, Secretary of the Senate

Wynia moved that the House accede to the request of the Senate and that the Speaker appoint a Conference Committee of 3 members of the House to meet with a like committee appointed by the Senate on the disagreeing votes of the two houses on S. F. No. 1358. The motion prevailed.

Mr. Speaker:

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

S. F. Nos. 277, 1101, 1323 and 1541.

PATRICK E. FLAHAVEN, Secretary of the Senate

Mr. Speaker:

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

S. F. Nos. 262, 536, 150 and 522.

PATRICK E. FLAHAVEN, Secretary of the Senate

FIRST READING OF SENATE BILLS

S. F. No. 277, A bill for an act relating to health; establishing a treatment program for compulsive gamblers; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 245.

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

S. F. No. 1101, A bill for an act relating to St. Louis county; regulating budget procedures; providing for certain recorder's fees; allowing the county to assess the cost of maintenance of television relay service; proposing coding for new law in Minnesota Statutes, chapter 383C; repealing Minnesota Statutes 1988, sections 383C.01,

383C.011, 383C.012, 383C.013, 383C.014, 383C.015, 383C.016, 383C.017, 383C.018, and 383C.019.

The bill was read for the first time.

Janezich moved that S. F. No. 1101 and H. F. No. 1222, now on General Orders, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 1323, A bill for an act relating to deprivation of parental rights; increasing penalties for parental kidnapping where weapon is used, child is abused, or ransom is demanded; prohibiting concealing a child abducted in another state; amending Minnesota Statutes 1988, section 609.26, subdivisions 1 and 6.

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

S. F. No. 1541, A bill for an act relating to local government; providing for a chief administrative deputy sheriff in the unclassified service in Hennepin county; authorizing certain county sheriffs to appoint a chief deputy or first assistant; amending Minnesota Statutes 1988, sections 383B.32, subdivision 2; and 387.145.

The bill was read for the first time.

Rest moved that S. F. No. 1541 and H. F. No. 1449, now on General Orders, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 262, A bill for an act relating to protection of groundwater; protecting sensitive areas; promoting and requiring certain best management practices; providing financial assistance for certain groundwater protection activities; authorizing local government groundwater and resource protection programs; establishing a joint legislative committee on water; providing for determination of water research needs; developing a water education curriculum; regulating wells, borings, and underground drillings and uses; regulating water conservation, water appropriations, and setting fees; establishing regulations, enforcing violations, and establishing civil and criminal penalties for violations relating to pesticide, fertilizer, soil amendment, and plant amendment manufacture, storage, sale, use, and misuse; providing a mechanism to aid cleanup and response to incidents relating to agricultural chemicals; providing a task force relating to sustainable agriculture; providing penalties; appropriating money; amending Minnesota Statutes 1988, sections 18B.01, subdivisions 5, 12, 15, 19, 21, 26, 30, and by adding subdivisions; 18B.04; 18B.07, subdivisions 2, 3, 4, and 6; 18B.08, subdivisions 1, 3,

and 4; 18B.26, subdivisions 1, 3, 5, and by adding a subdivision; 18B.31, subdivisions 3 and 5; 18B.32, subdivision 2; 18B.33, subdivisions 1, 3 and 7; 18B.34, subdivisions 1, 2 and 5; 18B.36, subdivisions 1 and 2; 18B.37, subdivisions 1, 2, 3, and 4; 40.42, by adding a subdivision; 40.43, subdivisions 2 and 6; 43A.08, subdivision 1; 105.41, subdivisions 1, 1a, 1b, 5, and by adding a subdivision; 105.418; 110B.04, subdivision 6; 115B.20; 116C.41, subdivision 1; 144.381; 144.382, subdivision 1, and by adding a subdivision; and 473.877, subdivision 1; proposing coding for new law in Minnesota Statutes, chapters 3; 17; 18B; 40; and 144; proposing coding for new law as Minnesota Statutes, chapters 18C; 18D; 18E; 103A; 103B; 103H; and 103I; repealing Minnesota Statutes 1988, sections 17.711 to 17.73; 18A.49; 18B.15; 18B.16; 18B.18; 18B.19; 18B.20; 18B.21; 18B.22; 18B.23; 18B.25; 84.57 to 84.621; 105.51, subdivision 3; and 156A.01 to 156A.11.

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

S. F. No. 536, A bill for an act relating to consumer protection; providing for enhanced civil penalties for deceptive acts targeted at senior citizens or handicapped persons; providing factors a court may consider in determining to impose an enhanced civil penalty; providing that sums collected must be credited to the account of the state board on aging; amending Minnesota Statutes 1988, section 256.975, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapter 325F.

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

S. F. No. 150, A bill for an act relating to gambling; creating a division of gambling enforcement within the department of public safety; providing for its powers and duties; changing size and membership of gambling control board; making changes in the manner in which gambling is conducted; requiring audits; increasing license fees; changing the requirement relating to distributors and manufacturers of gambling equipment; increasing the penalty for paying off on video games of chance; authorizing the sale of lottery tickets; establishing a state lottery agency; providing for its powers and duties; authorizing transmission of races to sites on Indian lands and commingling of certain betting pools; providing penalties; appropriating money; amending Minnesota Statutes 1988, sections 10A.01, subdivision 18; 15.06, subdivision 1; 15A.081, subdivision 1; 16B.54, subdivision 2; 43A.08, subdivision 1a; 240.02, subdivision 1; 240.06, subdivision 3; 240.07, subdivision 2; 240.08, subdivision 3; 240.13, by adding a subdivision; 240.21; 260.015, subdivisions 5 and 21; 290.92, by adding a subdivision; 297A.25, by adding a subdivision; 340A.410, subdivision 5; 349.11; 349.12,

subdivisions 3, 11, 12, 13, 15, 16, 17, 20, and by adding subdivisions; 349.15; 349.151; 349.16, subdivisions 3 and 4; 349.161; 349.162; 349.163; 349.164; 349.17, subdivision 2a; 349.18, subdivision 1, and by adding a subdivision; 349.19, subdivisions 2, 3, 6, and by adding subdivisions; 349.20; 349.21; 349.212, subdivision 1, and by adding subdivisions; 349.2121, subdivisions 2, 3, and 10; 349.2122; 349.2125, subdivisions 1, 2, and 3; 349.2127, subdivision 2; 349.213, subdivision 2; 349.214, subdivision 2; 349.22, subdivisions 1 and 3; 541.20; 541.21; 609.75, subdivision 3; 609.76, subdivision 1; and 609.761; proposing coding for new law in Minnesota Statutes, chapters 349 and 609; proposing coding for new law as Minnesota Statutes, chapters 299K and 349A; repealing Minnesota Statutes 1988, sections 349.151, subdivisions 3 and 5; 349.212, subdivisions 2 and 4; and 349.2121, subdivision 4; and Minnesota Rules, part 7860.0030.

The bill was read for the first time.

SUSPENSION OF RULES

Pursuant to Article IV, Section 19, of the Constitution of the state of Minnesota, Quinn moved that the rule therein be suspended and an urgency be declared so that S. F. No. 150 be given its second and third readings and be placed upon its final passage. The motion prevailed.

Quinn moved that the Rules of the House be so far suspended that S. F. No. 150 be given its second and third readings and be placed upon its final passage. The motion prevailed.

S. F. No. 150 was read for the second time.

Wynia moved that the House recess subject to the call of the Chair. The motion prevailed.

RECESS

RECONVENED

The House reconvened and was called to order by the Speaker.

FIRST READING OF SENATE BILLS, Continued**LAY ON THE TABLE**

Quinn moved that S. F. No. 150 be laid on the table. The motion prevailed.

CONSIDERATION UNDER RULE 1.10

Pursuant to rule 1.10, Long requested immediate consideration of H. F. No. 66.

H. F. No. 66 was reported to the House.

Quinn moved to amend H. F. No. 66, the fifth engrossment, as follows:

Page 41, line 18, delete "commissioner" and insert "governor"

The motion prevailed and the amendment was adopted.

Wynia was excused while in conference.

Segal moved to amend H. F. No. 66, the fifth engrossment, as amended, as follows:

Page 57, after line 13, insert:

"Subd. 5. [DEPOSIT IN COMPULSIVE GAMBLING ACCOUNT.] Beginning July 1, 1990, the director shall pay to the state treasurer, at the same time and in the same manner as payments are made in subdivision 6, an amount equal to one percent of gross revenues from lottery ticket sales for the preceding month. The treasurer shall credit the amount paid under this subdivision to the compulsive gambling account in the general fund."

Page 57, line 14, delete "5" and insert "6"

Page 57, line 28, delete "and"

Page 57, after line 28, insert "(6) payments to the state treasurer for credit to the compulsive gambling fund under subdivision 5."

Page 57, line 29, delete "(6)" and insert "(7)"

Page 80, line 4, delete "the" and after "of" insert "and services to"

Page 80, line 5, after "gamblers" insert "and their families, and adolescents who are at risk of becoming compulsive gamblers"

Page 80, line 5, delete "a nonprofit entity" and insert "nonprofit entities"

Page 80, line 12, after the semicolon insert "counseling for families of compulsive gamblers and for adolescents at risk of becoming compulsive gamblers;"

Page 81, after line 2, insert a section to read:

"Sec. 2. [245.99] [COMPULSIVE GAMBLING ACCOUNT.]

Subdivision 1. [ACCOUNT CREATED.] A compulsive gambling account is created as a separate account in the general fund. The fund consists of all money credited to it under article 3, section 11, subdivision 5, and all other money appropriated by law for credit to the account.

Subd. 2. [APPROPRIATION.] All money in the compulsive gambling account is continually appropriated to the commissioner of human services for the purpose of operating the program established in section 1."

Renumber the remaining section

Page 81, line 4, after the period insert "Section 2 is effective July 1, 1991."

A roll call was requested and properly seconded.

The question was taken on the Segal amendment and the roll was called. There were 63 yeas and 63 nays as follows:

Those who voted in the affirmative were:

Abrams	Hartle	Limmer	Ozment	Skoglund
Boo	Hasskamp	Long	Pappas	Sviggum
Burger	Haukoos	Macklin	Pauly	Swenson
Carlson, D.	Heap	Marsh	Poppenhagen	Tjornhom
Carlson, L.	Henry	McDonald	Price	Tompkins
Dille	Himle	McGuire	Rest	Valento
Forsythe	Hugoson	McPherson	Rice	Vellenga
Frederick	Johnson, A.	Miller	Richter	Wagenius
Frerichs	Johnson, R.	Morrison	Runbeck	Waltman
Girard	Johnson, V.	Nelson, K.	Schafer	Weaver
Greenfield	Kahn	Olsen, S.	Schreiber	Williams
Gruenes	Kelly	Olson, K.	Seaberg	
Gutknecht	Krueger	Onnen	Segal	

Those who voted in the negative were:

Anderson, G.	Cooper	Lasley	Ostrom	Solberg
Anderson, R.	Dauner	Lieder	Otis	Sparby
Battaglia	Dempsey	Lynch	Pellow	Stanius
Bauerly	Dorn	McEachern	Pelowski	Steensma
Beard	Jacobs	Milbert	Peterson	Trimble
Begich	Janezich	Murphy	Pugh	Tunheim
Bennett	Jefferson	Nelson, C.	Quinn	Uphus
Bertram	Jennings	O'Connor	Reding	Welle
Bishop	Kalis	Ogren	Rodosovich	Wenzel
Blatz	Kelso	Olson, E.	Rukavina	Winter
Brown	Kinkel	Omann	Sarna	Spk. Vanasek
Carruthers	Knickerbocker	Orenstein	Scheid	
Conway	Kostohryz	Osthoff	Simoneau	

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

CALL OF THE HOUSE

On the motion of Carlson, D., and on the demand of 10 members, a call of the House was ordered. The following members answered to their names:

Abrams	Girard	Lieder	Osthoff	Segal
Anderson, G.	Gruenes	Limmer	Ostrom	Simoneau
Anderson, R.	Gutknecht	Lynch	Otis	Skoglund
Battaglia	Hartle	Macklin	Ozment	Solberg
Bauerly	Hasskamp	Marsh	Pauly	Sparby
Beard	Haukoos	McDonald	Pellow	Stanius
Begich	Heap	McEachern	Pelowski	Steensma
Bennett	Henry	McGuire	Peterson	Swiggum
Bertram	Himle	McLaughlin	Poppenhagen	Swenson
Bishop	Hugoson	McPherson	Price	Tjornhom
Blatz	Jacobs	Milbert	Pugh	Tompkins
Boo	Janezich	Miller	Quinn	Trimble
Burger	Jefferson	Morrison	Redalen	Tunheim
Carlson, L.	Jennings	Murphy	Reding	Uphus
Carruthers	Johnson, A.	Nelson, C.	Rest	Valento
Conway	Johnson, R.	Nelson, K.	Rice	Vellenga
Cooper	Johnson, V.	O'Connor	Richter	Wagenius
Dawkins	Kahn	Ogren	Rodosovich	Waltman
Dempsey	Kelso	Olsen, S.	Runbeck	Weaver
Dille	Kinkel	Olson, E.	Sarna	Welle
Dorn	Knickerbocker	Olson, K.	Schafer	Wenzel
Forsythe	Kostohryz	Omann	Scheid	Williams
Frederick	Krueger	Onnen	Schreiber	Winter
Frerichs	Lasley	Orenstein	Seaberg	

McLaughlin moved that further proceedings of the roll call be dispensed with and that the Sergeant at Arms be instructed to bring in the absentees. The motion prevailed and it was so ordered.

Tompkins moved to amend H. F. No. 66, the fifth engrossment, as amended, as follows:

Page 40, after line 11, insert:

"Section 1. Minnesota Statutes 1988, section 1160.12, is amended to read:

1160.12 [GREATER MINNESOTA FUND.]

(a) The Greater Minnesota fund is created in the state treasury. The board may require the commissioner of finance to create separate accounts within the fund for use in accordance with the fund's purposes. Money in the fund not needed for the immediate purposes of the corporation may be invested by the corporation in any way authorized by section 11A.24. Money in the fund is appropriated to the corporation to be used as provided in this chapter.

(b) The fund consists of:

- (1) money appropriated and transferred from other state funds;
- (2) fees and charges collected by the corporation;
- (3) income from investments and purchases;
- (4) revenue from loans, rentals, royalties, dividends, and other proceeds collected in connection with lawful corporate purposes;
- (5) gifts, donations, and bequests made to the corporation; and
- (6) through the first five full fiscal years, during which proceeds from the lottery are received, one-half 45 percent of the net proceeds of the state-operated lottery must be credited to the greater Minnesota corporation fund. Thereafter, up to one-half 45 percent, as determined by law each biennium, of the net proceeds from the state-operated lottery must be credited to the greater Minnesota corporation fund."

Page 57, line 14, before "At" insert "(a)"

Page 57, after line 29, insert:

"(b) five percent of the net proceeds of the lottery are appropriated annually to the commissioner of health to be used for housing projects for the homeless, as determined by the commissioner."

Renumber the sections in sequence

Correct internal references

Amend the title accordingly

A roll call was requested and properly seconded.

The question was taken on the Tompkins amendment and the roll was called.

McLaughlin moved that those not voting be excused from voting. The motion prevailed.

There were 53 yeas and 74 nays as follows:

Those who voted in the affirmative were:

Abrams	Gruenes	Macklin	Pellow	Steensma
Blatz	Hartle	Marsh	Poppenhagen	Sviggum
Boo	Hasskamp	McDonald	Redalen	Swenson
Burger	Haukoos	McPherson	Rice	Tjornhom
Carlson, D.	Heap	Miller	Richter	Tompkins
Clark	Henry	Morrison	Runbeck	Valento
Dawkins	Himle	Olsen, S.	Schafer	Wagenius
Dempsey	Hugoson	Omann	Schreiber	Waltman
Forsythe	Johnson, V.	Onnen	Seaberg	Winter
Frederick	Limmer	Ozment	Skoglund	
Frerichs	Lynch	Pauly	Stanius	

Those who voted in the negative were:

Anderson, G.	Dorn	Knickerbocker	Olson, K.	Sarna
Anderson, R.	Girard	Kostohryz	Orenstein	Scheid
Battaglia	Greenfield	Krueger	Osthoff	Simoneau
Bauerly	Jacobs	Lasley	Ostrom	Solberg
Beard	Janezich	Lieder	Otis	Sparby
Begich	Jaros	McEachern	Pappas	Trimble
Bennett	Jefferson	McGuire	Pelowski	Tunheim
Bertram	Jennings	McLaughlin	Peterson	Uphus
Bishop	Johnson, A.	Milbert	Price	Vellenga
Brown	Johnson, R.	Murphy	Pugh	Weaver
Carlson, L.	Kahn	Nelson, C.	Quinn	Welle
Carruthers	Kalis	Nelson, K.	Reding	Wenzel
Conway	Kelly	O'Connor	Rest	Williams
Dauner	Kelso	Ogren	Rodosovich	Spk. Vanasek
Dille	Kinke	Olson, E.	Rukavina	

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

McDonald, moved to amend H. F. No. 66, the fifth engrossment, as amended, as follows:

Page 55, after line 27, insert:

“Subd. 4. [TICKETS; REQUIRED INFORMATION.] All tickets the director sells for any game which requires the player to select more than four numbers from a larger field of numbers must contain a statement comparing the chances of winning the largest prize offered in the game with chances of other events occurring, including, but not limited to, chances of being attacked by a shark while on vacation.”

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

Long was excused while in conference.

Runbeck, Wagenius and Himle moved to amend H. F. No. 66, the fifth engrossment, as amended, as follows:

Page 45, after line 7, insert "(9) restrictions on lottery advertising or promotion by retailers;"

Page 45, line 8, delete "(9)" and insert "(10)"

Page 45, line 10, delete "(10)" and insert "(11)"

Page 55, after line 27, insert:

"Subd. 4. [RETAILERS; ADVERTISING RESTRICTIONS.] (a) The director shall adopt rules governing on-premise and off-premise lottery advertising and promotion by lottery retailers. The rules must include as a minimum the restrictions in subdivision 2.

(b) Violation of a rule authorized by this subdivision is not a violation under section 13, subdivision 8, but is grounds for revocation, suspension or refusal to renew a lottery retailer contract.

Subd. 5. [PROMOTIONS; TIE-IN.] The director may not enter into any contract or other agreement with any person which involves (1) any cooperative or joint advertising with any other product or service, (2) the distribution of lottery tickets in connection with any other retail product, or the distribution of any other retail product in connection with a lottery ticket; or (3) any assumption by the director of any part of a retailer's advertising expenditures for the retailer's business."

A roll call was requested and properly seconded.

The question was taken on the Runbeck et al amendment and the roll was called.

McLaughlin moved that those not voting be excused from voting. The motion prevailed.

There were 55 yeas and 73 nays as follows:

Those who voted in the affirmative were:

- | | | | | |
|-------------|-----------|------------|---------|---------------|
| Abrams | Dempsey | Girard | Haukoos | Johnson, V. |
| Blatz | Dille | Greenfield | Heap | Kelso |
| Boo | Forsythe | Gruenes | Henry | Knickerbocker |
| Burger | Frederick | Gutknecht | Himle | Limmer |
| Carlson, D. | Frerichs | Hasskamp | Hugoson | Lynch |

Macklin	Nelson, K.	Poppenhagen	Seaberg	Uphus
Marsh	Olsen, S.	Rice	Skoglund	Valento
McDonald	Ostrom	Richter	Sviggum	Vellenga
McGuire	Ozment	Runbeck	Swenson	Wagenius
McPherson	Pauly	Schafer	Tjornhom	Waltman
Miller	Pellow	Schreiber	Tompkins	Weaver

Those who voted in the negative were:

Anderson, G.	Dauner	Kostohryz	Orenstein	Scheid
Anderson, R.	Dawkins	Krueger	Osthoff	Simoneau
Battaglia	Dorn	Lasley	Otis	Solberg
Bauerly	Hartle	Lieder	Pappas	Sparby
Beard	Jacobs	McEachern	Pelowski	Stanius
Begich	Janezich	McLaughlin	Peterson	Steensma
Bennett	Jaros	Milbert	Price	Trimble
Bertram	Jefferson	Murphy	Pugh	Tunheim
Bishop	Jennings	Nelson, C.	Quinn	Welle
Brown	Johnson, A.	O'Connor	Redalen	Wenzel
Carlson, L.	Johnson, R.	Ogren	Reding	Williams
Carruthers	Kahn	Olson, E.	Rest	Winter
Clark	Kalis	Olson, K.	Rodosovich	Spk. Vanasek
Conway	Kelly	Omann	Rukavina	
Cooper	Kinkel	Onnen	Sarna	

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

Gutknecht moved to amend H. F. No. 66, the fifth engrossment, as amended, as follows:

Page 55, delete lines 2 to 23 and insert:

“Subd. 2. [CONTENT OF ADVERTISING.] (a) Advertising and promotional materials for the lottery adopted or published by the director may only present factual information on how lottery games are played, the prizes offered, where and how tickets may be purchased, the odds of winning a prize, and the winning numbers in a drawing or the identity of winners of lottery prizes.

(b) The director may not adopt or publish any advertising for the lottery which:

(1) presents directly or indirectly a lottery game as a potential means of relieving a person's financial or economic difficulties or improving a person's financial status;

(2) presents the purchase of a lottery ticket as a financial investment or a way to achieve financial security;

(3) is specifically targeted with the intent to exploit a person, a specific group, or an economic class of people; or

(4) presents the lottery as a form of entertainment or recreation.”

Page 56, after line 29, insert:

“(c) The commissioner may not expend more than one percent of gross revenues in a biennium for advertising.

“(d) Before using or publishing any advertisement, the commissioner must submit the advertisement to the Minnesota news council for its review and comment.”

A roll call was requested and properly seconded.

McPherson moved to amend the Gutknecht amendment to H. F. No. 66, the fifth engrossment, as amended, as follows:

Page 2, delete lines 1 to 3

The motion prevailed and the amendment to the amendment was adopted.

The question recurred on the Gutknecht amendment, as amended, and the roll was called.

McLaughlin moved that those not voting be excused from voting. The motion prevailed.

There were 50 yeas and 74 nays as follows:

Those who voted in the affirmative were:

Abrams	Gruenes	Macklin	Otis	Steensma
Blatz	Gutknecht	Marsh	Ozment	Sviggum
Boo	Hartle	McDonald	Pauly	Swenson
Burger	Hasskamp	McPherson	Poppenhagen	Tjornhom
Carlson, D.	Haukoos	Miller	Redalen	Tompkins
Clark	Heap	Morrison	Rice	Uphus
Dille	Henry	Nelson, K.	Richter	Valento
Forsythe	Himle	Olsen, S.	Schafer	Vellenga
Frerichs	Hugoson	Olson, K.	Schreiber	Waltman
Girard	Limmer	Ostrom	Seaberg	Weaver

Those who voted in the negative were:

Anderson, G.	Conway	Jennings	Krueger	Omann
Anderson, R.	Cooper	Johnson, A.	Lasley	Onnen
Battaglia	Dauner	Johnson, R.	Lieder	Orenstein
Bauerly	Dawkins	Johnson, V.	McEachern	Osthoff
Beard	Dempsey	Kahn	McGuire	Pappas
Begich	Dorn	Kalis	McLaughlin	Pellow
Bennett	Frederick	Kelly	Milbert	Pelowski
Bertram	Jacobs	Kelso	Nelson, C.	Peterson
Brown	Janezich	Kinkel	O'Connor	Price
Carlson, L.	Jaros	Knickerbocker	Ogren	Pugh
Carruthers	Jefferson	Kostohryz	Olson, E.	Quinn

Reding	Runbeck	Solberg	Tunheim	Williams
Rest	Sarna	Sparby	Wagenius	Winter
Rodosovich	Scheid	Stanius	Welle	Spk. Vanasek
Rukavina	Simoneau	Trimble	Wenzel	

The motion did not prevail and the amendment, as amended, was not adopted.

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

Tjornhom and Swenson moved to amend H. F. No. 66, the fifth engrossment, as amended, as follows:

Page 40, after line 11, insert:

"Section 1. Minnesota Statutes 1988, section 1160.12, is amended to read:

1160.12 [GREATER MINNESOTA FUND.]

(a) The Greater Minnesota fund is created in the state treasury. The board may require the commissioner of finance to create separate accounts within the fund for use in accordance with the fund's purposes. Money in the fund not needed for the immediate purposes of the corporation may be invested by the corporation in any way authorized by section 11A.24. Money in the fund is appropriated to the corporation to be used as provided in this chapter.

(b) The fund consists of:

- (1) money appropriated and transferred from other state funds;
- (2) fees and charges collected by the corporation;
- (3) income from investments and purchases;
- (4) revenue from loans, rentals, royalties, dividends, and other proceeds collected in connection with lawful corporate purposes;
- (5) gifts, donations, and bequests made to the corporation; and

(6) through the first five full fiscal years, during which proceeds from the lottery are received, one-half of the net proceeds of the state-operated lottery must be credited to the greater Minnesota corporation fund deposited in the general fund and annually appropriated to the department of education for general education aid. This amount shall not reduce the amount otherwise appropriated under section 124A.032 for general education aid. Thereafter, up to one-half, as determined by law each biennium, of the net proceeds

from the state-operated lottery must be credited to the greater Minnesota corporation fund deposited in the general fund and annually appropriated to the department of education for general education aid. This amount shall not reduce the amount otherwise appropriated under section 124A.032 for general education aid."

Renumber the sections in sequence

Correct internal references

Amend the title accordingly

A roll call was requested and properly seconded.

The question was taken on the Tjornhom and Swenson amendment and the roll was called.

McLaughlin moved that those not voting be excused from voting. The motion prevailed.

There were 50 yeas and 76 nays as follows:

Those who voted in the affirmative were:

Abrams	Frerichs	Marsh	Pauly	Skoglund
Anderson, R.	Haukoos	McDonald	Pellow	Stanius
Blatz	Heap	McGuire	Poppenhagen	Sviggum
Boo	Henry	McPherson	Redalen	Swenson
Burger	Himle	Miller	Rice	Tjornhom
Carlson, D.	Johnson, V.	Morrison	Richter	Tompkins
Carruthers	Knickerbocker	Olsen, S.	Runbeck	Valento
Dempsey	Limmer	Omann	Schafer	Wagenius
Forsythe	Lynch	Onnen	Schreiber	Waltman
Frederick	MacKlin	Ozment	Seaberg	Weaver

Those who voted in the negative were:

Anderson, G.	Dorn	Kelly	Olson, E.	Rukavina
Battaglia	Greenfield	Kinkel	Olson, K.	Sarna
Bauerly	Gruenes	Kostohryz	Orenstein	Scheid
Beard	Hartle	Krueger	Osthoff	Simoneau
Begich	Hasskamp	Lasley	Ostrom	Solberg
Bertram	Hugoson	Lieder	Otis	Sparby
Bishop	Jacobs	McEachern	Pappas	Steenasma
Brown	Janezich	McLaughlin	Pelowski	Trimble
Carlson, L.	Jaros	Milbert	Peterson	Tunheim
Clark	Jefferson	Munger	Price	Uphus
Conway	Jennings	Murphy	Pugh	Vellenga
Cooper	Johnson, A.	Nelson, C.	Quinn	Welle
Dauner	Johnson, R.	Nelson, K.	Reding	Wenzel
Dawkins	Kahn	O'Connor	Rest	Williams
Dille	Kalis	Ogren	Rodosovich	Winter
				Spk. Vanasek

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

Sviggum and Gutknecht moved to amend H. F. No. 66, the fifth engrossment, as amended, as follows:

Page 60, after line 35, insert:

“Sec. 17. [REVISOR INSTRUCTION.]

The revisor of statutes shall make appropriate changes in Minnesota Statutes to implement section 18.

Sec. 18. [REPEALER.]

Sections 1 to 16 are repealed effective July 1, 1994.”

Page 60, line 36, delete “17” and insert “19”

Renumber the sections in sequence

Correct internal references

Amend the title accordingly

A roll call was requested and properly seconded.

The question was taken on the Sviggum and Gutknecht amendment and the roll was called.

McLaughlin moved that those not voting be excused from voting. The motion prevailed.

There were 35 yeas and 92 nays as follows:

Those who voted in the affirmative were:

Burger	Gruenes	Johnson, V.	Miller	Richter
Dawkins	Gutknecht	Kelly	Nelson, K.	Schafer
Dempsey	Haukoos	Limmer	Onnen	Schreiber
Dille	Heap	Marsh	Pauly	Sviggum
Forsythe	Henry	McDonald	Poppenhagen	Tjornhom
Frerichs	Himle	McGuire	Redalen	Tompkins
Girard	Hugoson	McPherson	Rice	Waltman

Those who voted in the negative were:

Abrams	Bertram	Clark	Hasskamp	Kahn
Anderson, G.	Bishop	Conway	Jacobs	Kalis
Anderson, R.	Blatz	Cooper	Janezich	Kinkel
Battaglia	Boo	Dauner	Jaros	Knickerbocker
Bauerly	Brown	Dorn	Jefferson	Kostohryz
Beard	Carlson, D.	Frederick	Jennings	Krueger
Begich	Carlson, L.	Greenfield	Johnson, A.	Lasley
Bennett	Carruthers	Hartle	Johnson, R.	Lieder

Macklin	Olson, K.	Price	Segal	Valento
McEachern	Omann	Pugh	Simoneau	Vellenga
McLaughlin	Orenstein	Quinn	Skoglund	Wagenius
Milbert	Osthoff	Reding	Solberg	Welle
Munger	Ostrom	Rest	Sparby	Wenzel
Murphy	Otis	Rodosovich	Stanius	Williams
Nelson, C.	Ozment	Rukavina	Steensma	Winter
O'Connor	Pappas	Runbeck	Swenson	Spk. Vanasek
Ogren	Pellow	Sarna	Trimble	
Olsen, S.	Pelowski	Scheid	Tunheim	
Olson, E.	Peterson	Seaberg	Uphus	

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

Nelson, K., moved to amend H. F. No. 66, the fifth engrossment, as amended, as follows:

Page 44, after line 28, insert:

“The board may not approve a procedure for any game that would allow a person to win a prize greater than \$10,000,000.”

A roll call was requested and properly seconded.

The question was taken on the Nelson, K., amendment and the roll was called.

Krueger moved that those not voting be excused from voting. The motion prevailed.

There were 61 yeas and 63 nays as follows:

Those who voted in the affirmative were:

Abrams	Girard	Knickerbocker	Ostrom	Skoglund
Blatz	Gruenes	Limmer	Otis	Steensma
Boo	Gutknecht	Lynch	Ozment	Swiggum
Burger	Hartle	Macklin	Pauly	Swenson
Carlson, D.	Haukoos	Marsh	Poppenhagen	Tjornhom
Clark	Heap	McDonald	Redalen	Tompkins
Dauner	Henry	McPherson	Rice	Uphus
Dawkins	Himle	Miller	Richter	Valento
Dille	Hugoson	Morrison	Runbeck	Vellenga
Forsythe	Johnson, V.	Nelson, K.	Schafer	Wagenius
Frederick	Kahn	Olsen, S.	Schreiber	Waltman
Frerichs	Kalis	Orenstein	Seaberg	Weaver
				Winter

Those who voted in the negative were:

Anderson, G.	Bennett	Conway	Jaros	Kinkel
Anderson, R.	Bertram	Cooper	Jefferson	Kostohryz
Battaglia	Bishop	Dempsey	Jennings	Krueger
Bauerly	Brown	Dorn	Johnson, A.	Lasley
Beard	Carlson, L.	Jacobs	Johnson, R.	Lieder
Begich	Carruthers	Janezich	Kelly	McEachern

McGuire	Olson, E.	Pelowski	Rodosovich	Stanius
Milbert	Olson, K.	Peterson	Rukavina	Tunheim
Munger	Omamm	Price	Sarna	Welle
Murphy	Onnen	Pugh	Scheid	Wenzel
Nelson, C.	Osthoff	Quinn	Simoneau	Williams
O'Connor	Pappas	Reding	Solberg	
Ogren	Pellow	Rest	Sparby	

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

Schreiber, Scheid, McDonald, Sviggum, Gutknecht, Krueger, McEachern, Begich, Kostohryz, Lynch and Runbeck moved to amend H. F. No. 66, the fifth engrossment, as amended, as follows:

Page 28, after line 14, add a section to read:

“Sec. 41. Minnesota Statutes 1988, section 349.213, subdivision 1, is amended to read:

Subdivision 1. [LOCAL REGULATION.] A statutory or home rule city or county has the authority to adopt more stringent regulation of any form of lawful gambling within its jurisdiction, including the prohibition of any form of lawful gambling, and may require a permit for the conduct of gambling exempt from licensing under section 349.214. The fee for a permit issued under this subdivision may not exceed \$100. The authority granted by this subdivision does not include the authority to require a license or permit to conduct gambling by organizations or sales by distributors licensed by the board. The authority granted by this subdivision does not include the authority to require an organization to make specific expenditures of more than ten percent from its net profits derived from lawful gambling. For the purposes of this subdivision, net profits are profits less amounts expended for allowable expenses. A statutory or home rule charter city or a county may not require an organization conducting lawful gambling within its jurisdiction to make an expenditure to the city or county as a condition to operate within that city or county, except as authorized under section 349.16, subdivision 4, or section 349.212.

A statutory or home rule city or county may by ordinance require that an organization conducting lawful gambling within its jurisdiction expend all or a portion of its expenditures for lawful purposes on lawful purposes conducted or located within the city's or county's trade area. Such an ordinance must define the city's or county's trade area and must specify the percentage of lawful purpose expenditures which must be expended within the trade area.”

Renumber the sections in sequence

Correct internal references

Amend the title accordingly

The motion prevailed and the amendment was adopted.

Vellenga, Greenfield and Kelly moved to amend H. F. No. 66, the fifth engrossment, as amended, as follows:

Page 3, line 16, after "commission" insert "other than the commissioner,"

The motion prevailed and the amendment was adopted.

H. F. No. 66, A bill for an act relating to gambling; creating a department of gaming; authorizing a state lottery to be conducted by a department of state lottery; creating a division of inspection and enforcement in the department of public safety and providing for its duties; prescribing penalties; appropriating money; amending Minnesota Statutes 1988, sections 10A.01, subdivision 18; 10A.09, subdivision 1; 15.06, subdivision 1; 15A.081, subdivision 1; 43A.08, subdivision 1a; 240.01, by adding subdivisions; 240.02, subdivisions 1 and 2; 240.04, subdivisions 1, 3, and 7; 240.06, subdivisions 3 and 8; 240.07, subdivision 2; 240.08, subdivision 3; 240.21; 240.28; 340A.410, subdivision 5; 349.12, subdivisions 11, 17, 20, and by adding subdivisions; 349.151; subdivisions 1, 2, 4, and 5; 349.16, subdivisions 3 and 4; 349.161, subdivision 4; 349.162, subdivisions 1, 2, 4, and 5; 349.163; 349.18, subdivision 1; 349.19, subdivisions 5 and 6; 349.212; 349.2121, subdivisions 2, 3, 4, 4a, 6, 7, 8, and 10; 349.2122; 349.2125, subdivisions 1, 2, and 3; 349.2127, subdivision 2; 349.213, subdivision 1; 349.214, subdivision 2; 349.22, subdivisions 1 and 3; 541.20; 541.21; 609.75, subdivision 3; 609.76, subdivision 1; 609.761; 626.05, subdivision 2; 626.13; and 626.84, subdivision 1; proposing coding for new law as Minnesota Statutes, chapters 299K; 349A; and 349B; proposing coding for new law in Minnesota Statutes, chapters 240; 245; and 349; repealing Minnesota Statutes 1988, sections 240.02, subdivision 7; 349.151, subdivisions 3 and 5; 349.161, subdivision 7; 349.164, subdivision 5; 349.171; and 349.22, subdivision 4.

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

The question was taken on the passage of the bill and the roll was called.

McLaughlin moved that those not voting be excused from voting. The motion prevailed.

There were 98 yeas and 33 nays as follows:

Those who voted in the affirmative were:

Abrams	Begich	Boo	Conway	Frederick
Anderson, G.	Bennett	Brown	Cooper	Frerichs
Battaglia	Bertram	Carlson, D.	Dauner	Girard
Bauerly	Bishop	Carlson, L.	Dawkins	Greenfield
Beard	Blatz	Carruthers	Dorn	Gruenes

Hartle	Kinkel	Murphy	Pugh	Sviggum
Hasskamp	Knickerbocker	O'Connor	Quinn	Swenson
Haukoos	Kostohryz	Ogren	Redalen	Tjornhom
Heap	Krueger	Olsen, S.	Reding	Trimble
Henry	Lasley	Omann	Rest	Tunheim
Jacobs	Lieder	Orenstein	Rodosovich	Uphus
Janezich	Limmer	Osthoff	Rukavina	Valento
Jaros	Lynch	Ostrom	Runbeck	Waltman
Jefferson	Macklin	Ozment	Sarna	Weaver
Jennings	McEachern	Pappas	Scheid	Welle
Johnson, A.	McLaughlin	Pauly	Schreiber	Williams
Johnson, R.	McPherson	Pellow	Simoneau	Winter
Johnson, V.	Milbert	Pelowski	Solberg	Spk. Vanasek
Kahn	Morrison	Peterson	Sparby	
Kelly	Munger	Price	Stanisus	

Those who voted in the negative were:

Anderson, R.	Himle	Miller	Poppenhagen	Steensma
Burger	Hugoson	Nelson, C.	Rice	Tompkins
Clark	Kalis	Nelson, K.	Richter	Vellenga
Dempsey	Long	Olson, E.	Schafer	Wagenius
Dille	Marsh	Olson, K.	Seaberg	Wenzel
Forsythe	McDonald	Onnen	Segal	
Gutknecht	McGuire	Otis	Skoglund	

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

FIRST READING OF SENATE BILLS, Continued

S. F. No. 522, A bill for an act relating to housing; authorizing the establishment of affordable housing programs under the administration of the Minnesota housing finance agency; establishing a neighborhood preservation program; revising certain tenant damage provisions in landlord-tenant actions; regulating tenant screening services; establishing a rent escrow system; providing mandatory building repair fines; authorizing a housing calendar consolidation pilot project in Hennepin and Ramsey counties; requiring housing impact statements; revising certain housing receivership provisions; providing a limited right of entry to secure vacant or unoccupied buildings; providing for city housing rehabilitation loan programs; establishing the community and neighborhood development organization program; establishing a child development program; authorizing a neighborhood revitalization program; imposing penalties; appropriating money; amending Minnesota Statutes 1988, sections 4.071; 282.01, subdivision 1; 462A.03, by adding a subdivision; 462A.05, subdivision 27, and by adding subdivisions; 462A.21, subdivisions 4k, 12, and by adding subdivisions; 462C.02, by adding subdivisions; 462C.05, by adding a subdivision; 463.15, subdivisions 3 and 4; 463.16; 463.161; 463.17; 463.20; 463.21; 463.22; 469.012, subdivision 1; 504.255; 504.26; 566.17; 566.175, subdivision 1; 566.29, subdivisions 1, 4, and by adding subdivisions; 582.03; Laws 1971, chapter 333, as amended, by adding a section; Laws 1974, chapters 285, sections 2, 3, 4, and by adding a section; and 475, by adding a section; proposing coding for new law in

Minnesota Statutes, chapters 116J; 129A; 145; 268; 363; 412; 462A; 469; 471; 504; 566; and 582; repealing Laws 1974, chapter 351, sections 1 to 4, as amended; Laws 1975, chapter 260, sections 1 to 5; and Laws 1987, chapters 384, article 3, section 22; and 386, article 6, sections 4 to 11.

The bill was read for the first time.

O'Connor moved that S. F. No. 522 and H. F. No. 535, now on General Orders, be referred to the Chief Clerk for comparison. The motion prevailed.

CALL OF THE HOUSE LIFTED

McLaughlin moved that the call of the House be dispensed with. The motion prevailed and it was so ordered.

There being no objection, the order of business reverted to Reports of Standing Committees.

REPORTS OF STANDING COMMITTEES

Anderson, G., from the Committee on Appropriations to which was referred:

H. F. No. 42, A bill for an act relating to economic development; permitting state agencies and local jurisdictions to invest in a working capital fund; proposing coding for new law in Minnesota Statutes, chapters 16B, 161, 471, and 473.

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

The report was adopted.

Anderson, G., from the Committee on Appropriations to which was referred:

H. F. No. 584, A bill for an act relating to environment; regulating municipal wastewater treatment funding; amending Minnesota Statutes 1988, sections 116.18, subdivisions 3a and 3b; 446A.02, subdivision 4; 446A.07, subdivision 8; and 446A.12, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapter 115.

Reported the same back with the following amendments:

Pages 1 and 2, delete section 1

Page 7, delete section 7

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 6, delete everything after "subdivision"

Page 1, line 7, delete everything before the period

With the recommendation that when so amended the bill pass.

The report was adopted.

Anderson, G., from the Committee on Appropriations to which was referred:

H. F. No. 661, A bill for an act relating to pollution; regulating the disposal of infectious and pathological wastes; providing for penalties for violation; appropriating money; amending Minnesota Statutes 1988, section 609.671, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapter 116.

Reported the same back with the following amendments:

Page 5, line 35, delete "\$150" and insert "\$225"

Page 5, line 36, delete "\$25" and insert "\$40"

Page 6, line 17, after "FOR" insert "TRANSPORTERS AND"

Page 6, line 21, after "incinerates" insert ", transports,"

Page 6, line 23, delete "\$150" and insert "\$225. A person who incinerates on-site at a hospital must submit a fee of \$100"

Page 6, line 23, delete the second "fee" and insert "fees"

Page 6, line 26, delete "90" and insert "180"

Page 7, line 21, delete "90" and insert "180"

Page 9, delete section 15 and insert:

"Sec. 15. [APPROPRIATIONS.]

Subdivision 1. [POLLUTION CONTROL AGENCY.] \$270,000 is appropriated from the infectious waste account to the commissioner of the pollution control agency for the biennium ending June 30, 1991, to carry out the requirements of sections 1 to 13. The approved complement of the pollution control agency is increased by two positions in fiscal year 1990 and one additional position in fiscal year 1991.

Subd. 2. [DEPARTMENT OF HEALTH.] \$200,000 is appropriated from the infectious waste account to the commissioner of health for the biennium ending June 30, 1991, to carry out the requirements of sections 1 to 13. The approved complement of the department of health is increased by 2½ positions.

Subd. 3. [HEALTH DEPARTMENT.] \$10,000 is appropriated from the infectious waste account to the commissioner of health for the biennium ending June 30, 1991, to prepare educational material for distribution to infectious and pathological waste generators and transporters; treatment, storage, and disposal facility operators; households that generate infectious waste; and to the general public.

Subd. 4. [LOAN.] \$460,000 is appropriated from the general fund for transfer to the infectious waste account. This amount must be repaid to the general fund by June 30, 1991."

With the recommendation that when so amended the bill pass.

The report was adopted.

Anderson, G., from the Committee on Appropriations to which was referred:

H. F. No. 1146, A bill for an act relating to traffic regulations; dedicating seat belt violation fines to emergency medical services relief account; amending Minnesota Statutes 1988, section 169.686, subdivision 3.

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

The report was adopted.

Anderson, G., from the Committee on Appropriations to which was referred:

H. F. No. 1203, A bill for an act relating to nonprofit corporations; providing for the organization, operation, and dissolution of non-

profit corporations; imposing penalties; appropriating money; amending Minnesota Statutes 1988, sections 8.31, subdivision 1; 79A.09, subdivision 1; 257.03; 309.67; 319A.20; 354A.021, subdivision 2; and 469.144, subdivision 1; proposing coding for new law as Minnesota Statutes, chapter 317A; repealing Minnesota Statutes 1988, sections 317.01 to 317.69.

Reported the same back with the following amendments:

Page 98, delete section 137

Page 99, line 18, delete "138" and insert "137"

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 4, delete "appropriating money,"

With the recommendation that when so amended the bill pass.

The report was adopted.

Anderson, G., from the Committee on Appropriations to which was referred:

H. F. No. 1418, A bill for an act relating to appropriations; appropriating money to evaluate the St. Paul national indoor sports training center.

Reported the same back with the following amendments:

Page 1, lines 9 and 10, delete "for a study grant for the evaluation of the" and insert "to evaluate the feasibility of a"

With the recommendation that when so amended the bill pass.

The report was adopted.

Anderson, G., from the Committee on Appropriations to which was referred:

S. F. No. 126, A bill for an act relating to traffic regulations; providing for suspension of driver's license of certain persons failing to appear in court; setting a fee; amending Minnesota Statutes 1988, sections 169.92; 171.01, subdivision 13; and 171.20, subdivision 4.

Reported the same back with the following amendments:

Page 3, after line 9, insert:

“Sec. 4. [EFFECTIVE DATE.]

Sections 1 to 3 are effective the day following final enactment.”

With the recommendation that when so amended the bill pass.

The report was adopted.

Anderson, G., from the Committee on Appropriations to which was referred:

S. F. No. 139, A bill for an act relating to liquor; increasing age for provisional driver's license to 21 years; changing provisional licenses to “under-21” licenses; prohibiting the issuance of both a Minnesota identification card and a driver's license, other than an instruction permit, to the same person; providing for fees; providing for license suspension for minors misrepresenting their age for purposes of purchasing alcoholic beverages; providing penalty for misuse of Minnesota identification card; increasing the period for suspension of a drivers license for use of a license to illegally purchase alcohol; including other forms of identification and persons who lend identification; increasing the penalty for counterfeiting a drivers license or Minnesota identification card; prohibiting lending any form of identification for use by an underage person to purchase alcohol; clarifying the application of the carding defense for illegal sales; providing for transfer of confiscated identification; amending Minnesota Statutes 1988, sections 171.02, subdivisions 1 and 3; 171.06, subdivision 2; 171.07, subdivisions 1 and 3; 171.171; 171.22; 171.27; 260.195, subdivision 3; 340A.503, subdivisions 2 and 6; and 340A.801, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapter 340A.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

“Section 1. Minnesota Statutes 1988, section 168.123, subdivision 1, is amended to read:

Subdivision 1. [GENERAL REQUIREMENTS; FEES.] The registrar shall issue special license plates to an applicant who served in the active military service in a branch of the armed forces of the United States, was discharged under honorable conditions, and is an owner or joint owner of a motor vehicle included within the definition of a passenger automobile or which is self-propelled recreational equipment, on payment of a fee of \$10 for each set of two plates, payment of the registration tax required by law, and compli-

ance with other laws relating to registration and licensing of motor vehicles and drivers. The additional fee of \$10 is payable for each set of plates, is payable only when the plates are issued, and is not payable in a year in which tabs or stickers are issued instead of number plates. An applicant must not be issued more than two sets of plates for vehicles owned or jointly owned by the applicant.

The veteran shall have a certified copy of the veteran's discharge papers, indicating character of discharge, at the time of application.

Sec. 2. Minnesota Statutes 1988, section 168.125, subdivision 1, is amended to read:

Subdivision 1. [ISSUANCE AND DESIGN.] The registrar shall issue special license plates bearing the inscription "EX-POW" to any applicant who is both a former prisoner of war and an owner or joint owner of a motor vehicle upon the applicant's compliance with all the laws of this state relating to the registration and licensing of motor vehicles and drivers. The special license plates shall be of a design and size to be determined by the commissioner. Plates bearing the "EX-POW" inscription may be issued for only one motor vehicle per applicant.

Application for issuance of these plates shall be made at the time of renewal or first application for registration. The application shall include a certification by the commissioner of veterans affairs that the applicant was a member of the military forces of the United States who was captured, separated, and incarcerated by an enemy of the United States during a period of armed conflict.

The applicant shall pay, in addition to the registration tax required by law, a fee for the special license plates issued under this section, in an amount calculated by the commissioner to cover the cost of the license plates. The additional fee is payable only when the plates are issued and no additional fee is payable in any year in which tabs or stickers are issued in lieu of number plates. All fees from the sale of the special license plates shall be paid into the state treasury and credited to the highway user tax distribution fund.

Notwithstanding the provisions of section 168.12, subdivision 1, the special license plates issued under this section may be transferred to another motor vehicle owned or jointly owned by the former prisoner of war upon the payment of a fee of \$5. This fee shall be paid into the state treasury and credited to the highway user tax distribution fund.

Upon the death of a former prisoner of war, the registrar shall continue to issue, upon renewal, the special license plates to a vehicle owned by the surviving spouse of the former prisoner of war. Special license plates issued to a surviving spouse may be trans-

ferred to another vehicle owned by the surviving spouse as provided in this subdivision.

For purposes of this section, "motor vehicle" means a passenger automobile, station wagon, pickup truck, motorcycle, or recreational vehicle.

Sec. 3. Minnesota Statutes 1988, section 169.345, subdivision 2, is amended to read:

Subd. 2. [DEFINITIONS.] For the purpose of this section, "physically handicapped person" means a person who:

(1) because of disability cannot walk without significant risk of falling;

(2) because of disability cannot walk 200 feet without stopping to rest;

(3) because of disability cannot walk without the aid of another person, a walker, a cane, crutches, braces, a prosthetic device, or a wheelchair;

(4) is restricted by a respiratory disease to such an extent that the person's forced (respiratory) expiratory volume for one second, when measured by spirometry, is less than one meter;

(5) has an arterial oxygen tension (PAO₂) of less than 60 mm/hg on room air at rest;

(6) uses portable oxygen; or

(7) has a cardiac condition to the extent that the person's functional limitations are classified in severity as class III or class IV according to standards set by the American Heart Association; or

(8) has an affliction that would be aggravated to such an extent that walking 200 feet under normal environmental conditions would be life threatening.

Sec. 4. Minnesota Statutes 1988, section 171.02, subdivision 3, is amended to read:

Subd. 3. [MOTORIZED BICYCLES.] No motorized bicycle shall be operated on any public roadway by any person who does not possess a valid driver's license, unless the person has obtained a motorized bicycle operator's permit or motorized bicycle instruction permit from the commissioner of public safety. The operator's permit may be issued to any person who has attained the age of 15 years and who has passed the examination prescribed by the commissioner. The

instruction permit may be issued to any person who has attained the age of 15 years and who has successfully completed an approved safety course and passed the written portion of the examination prescribed by the commissioner.

This course must consist of, but is not limited to, a basic understanding of:

- (1) motorized bicycles and their limitations;
- (2) motorized bicycle laws and rules;
- (3) safe operating practices and basic operating techniques;
- (4) helmets and protective clothing;
- (5) motorized bicycle traffic strategies; and
- (6) effects of alcohol and drugs on motorized bicycle operators.

The commissioner may promulgate rules prescribing the content of the safety course, examination, and the information to be contained on the permits. A person operating a motorized bicycle under a motorized bicycle permit is subject to the restrictions imposed by section 169.974, subdivision 2, on operation of a motorcycle under a two-wheel instruction permit.

The fees for motorized bicycle operator's permits are as follows:

(a) Examination and operator's permit, valid for one year	\$ 6
(b) Duplicate	\$ 3
(c) Renewal permit before age 19 <u>21</u> and valid until age 19 <u>21</u>	\$ 9
(d) Renewal permit after age 19 <u>21</u> and valid for four years	\$15
(e) Duplicate of any renewal permit	\$ 4.50
(f) Written examination and instruction permit, valid for 30 days	\$ 6

Sec. 5. Minnesota Statutes 1988, section 171.06, subdivision 2, is amended to read:

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

Classified Driver License	C-\$15	B-\$22.50	A-\$30
Classified Provisional D.L.	C-\$ 9	B-\$15	A-\$10
	<u>C-\$15</u>	<u>B-\$22.50</u>	
Instruction Permit			\$ 6
Duplicate Driver or Provisional License			\$ 4.50
Minnesota identification card, except as otherwise provided in section 171.07, subdivisions 3 and 3a			\$ 9

Sec. 6. Minnesota Statutes 1988, section 171.07, subdivision 1, is amended to read:

Subdivision 1. [LICENSE; CONTENTS.] The department shall, upon the payment of the required fee, issue to every applicant qualifying therefor a license designating the type or class of vehicles the applicant is authorized to drive as applied for, which license shall bear thereon a distinguishing number assigned to the licensee, the full name, date of birth, residence address and permanent mailing address if different, a description of the licensee in such manner as the commissioner deems necessary, and a space upon which the licensee shall write the usual signature and the date of birth of the licensee with pen and ink. No license shall be valid until it has been so signed by the licensee. Except in the case of an instruction permit, every license shall bear thereon a colored photograph of the licensee. Every license issued to an applicant under the age of ~~19~~ 21 shall be of a distinguishing color and plainly marked "provisional." The department shall use such process or processes in the issuance of licenses that prohibits as near as possible, the ability to alter or reproduce the licenses, or prohibit the ability to superimpose a photo on such licenses without ready detection. A license issued to an applicant of age 65 or over shall be plainly marked "senior" if requested by the applicant.

Sec. 7. Minnesota Statutes 1988, section 171.171, is amended to read:

171.171 [SUSPENSIONS; ILLEGAL PURCHASE OF ALCOHOLIC BEVERAGES.]

The commissioner shall suspend for a period of 30 days the license of a person under the age of ~~19~~ 21 years who is convicted of purchasing or attempting to purchase an alcoholic beverage in violation of section 340A.503 if the person used a drivers license or permit to purchase or attempt to purchase the alcoholic beverage.

Sec. 8. Minnesota Statutes 1988, section 171.22, is amended to read:

171.22 [UNLAWFUL ACTS.]

Subdivision 1. [ACTS.] It shall be unlawful for any person:

(1) to display, or cause or permit to be displayed, or have in possession, any canceled, revoked, suspended, fictitious, or fraudulently altered driver's license or Minnesota identification card;

(2) to lend the person's driver's license or Minnesota identification card to any other person or knowingly permit the use thereof by another;

(3) to display or represent as one's own any driver's license or Minnesota identification card not issued to that person;

(4) to fail or refuse to surrender to the department, upon its lawful demand, any driver's license or Minnesota identification card which has been suspended, revoked, or canceled;

(5) to use a fictitious name or date of birth to any police officer or in any application for a driver's license or Minnesota identification card, or to knowingly make a false statement, or to knowingly conceal a material fact, or otherwise commit a fraud in any such application;

(6) to alter any driver's license or Minnesota identification card, or to counterfeit or make any fictitious license;

(7) to take any part of the driver's license examination for another or to permit another to take the examination for that person; or

(8) to use the name and date of birth of another person to any police officer for the purpose of falsely identifying oneself to the police officer.

Subd. 2. [PENALTIES.] Any person who violates subdivision 1, clause (8), is guilty of a gross misdemeanor. Any person who violates any other provision of subdivision 1 is guilty of a misdemeanor.

Sec. 9. Minnesota Statutes 1988, section 171.27, is amended to read:

171.27 [EXPIRATION OF LICENSES.]

The expiration date for each driver's license, other than provisional licenses, is the birthday of the driver in the fourth year following the date of issuance of the license. The birthday of the driver shall be as indicated on the application for a driver's license. A license may be renewed on or before expiration or within one year after expiration upon application, payment of the required fee, and

passing the examination required of all drivers for renewal. Driving privileges shall be extended or renewed on or preceding the expiration date of an existing driver's license unless the commissioner believes that the licensee is no longer qualified as a driver.

The expiration date for each provisional license shall be the ~~19th~~ 21st birthday of the licensee. Upon the provisional licensee attaining the age of ~~19~~ 21 and upon the application, payment of the required fee, and passing the examination required of all drivers for renewal, a driver's license shall be issued if the commissioner deems the record of the provisional licensee to be satisfactory unless the commissioner believes that the licensee is no longer qualified as a driver.

The expiration date for each provisional license issued before August 1, 1989, is the 19th birthday of the licensee. When a holder of a provisional license attains the age of 19, requires a duplicate provisional license, or wants to obtain an updated provisional license, and upon the payment of a \$5 application fee and passing the examination required for renewal, a provisional driver's license must be issued unless the commissioner believes that the licensee is no longer qualified as a driver. The expiration date of the provisional license is the person's 21st birthday.

Any valid Minnesota driver's license issued to a person then or subsequently on active duty with the Armed Forces of the United States, or the person's spouse, shall continue in full force and effect without requirement for renewal until 90 days after the date of the person's discharge from such service, provided that a spouse's license must be renewed if the spouse is residing within the state at the time the license expires or within 90 days after the spouse returns to Minnesota and resides within the state.

Sec. 10. Minnesota Statutes 1988, section 340A.503, subdivision 6, is amended to read:

Subd. 6. [PROOF OF AGE; DEFENSE.] (a) Proof of age for purchasing or consuming alcoholic beverages may be established only by a valid drivers license or Minnesota identification card, or in the case of a foreign national by a valid passport.

(b) In a prosecution under subdivision 2, clause (1), it is a defense for the defendant to prove by a preponderance of the evidence that the defendant relied upon representations of proof of age authorized in paragraph (a) in selling, bartering, furnishing, or giving the alcoholic beverage and that such reliance was justified, undertaken prudently and carefully, and was in good faith.

Sec. 11. Minnesota Statutes 1988, section 340A.801, is amended by adding a subdivision to read:

Subd. 3a. [DEFENSE.] The defense described in section 340A.503, subdivision 6, applies to actions under this section."

Delete the title and insert:

"A bill for an act relating to public safety; providing for special license plates for veterans who are owners of self-propelled recreational equipment; providing for disposition of POW plates to surviving spouses of former prisoners of war; increasing age for provisional driver's license to 21 years; providing for fees; providing for license suspension for minors misrepresenting their age for purposes of purchasing alcoholic beverages; providing penalty for misuse of Minnesota identification card; amending Minnesota Statutes 1988, sections 168.123, subdivision 1; 168.125, subdivision 1; 169.345, subdivision 2; 171.02, subdivision 3; 171.06, subdivision 2; 171.07, subdivision 1; 171.171; 171.22; 171.27; 340A.503, subdivision 6; and 340A.801, by adding a subdivision."

With the recommendation that when so amended the bill pass.

The report was adopted.

SECOND READING OF HOUSE BILLS

H. F. Nos. 42, 584, 661, 1146, 1203 and 1418 were read for the second time.

SECOND READING OF SENATE BILLS

S. F. Nos. 126 and 139 were read for the second time.

Anderson, R., was excused while in conference.

The following Conference Committee Reports were received:

CONFERENCE COMMITTEE REPORT ON H. F. NO. 943

A bill for an act relating to health; requiring post-secondary students to submit a statement of immunization; providing exemptions; amending Minnesota Statutes 1988, sections 120.102, subdivision 1; and 123.70, subdivisions 1, 2, 4, 9, and by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapter 135A.

May 11, 1989

The Honorable Robert E. Vanasek
Speaker of the House of Representatives

The Honorable Jerome M. Hughes
President of the Senate

We, the undersigned conferees for H. F. No. 943, report that we have agreed upon the items in dispute and recommend as follows:

That the House concur in the Senate amendment and that H. F. No. 943, the unofficial engrossment, be further amended as follows:

Page 6, line 13, after "institutions" insert "having an enrollment of more than 100 persons during any quarter, term, or semester during the preceding year"

Page 6, line 15, after "four-year" insert ", professional"

Page 6, line 17, before "chapter" insert "either" and delete "and" and insert "or"

Page 6, line 18, before the period insert ", and which offer educational programs within the state for an academic year greater than six consecutive months. An institution's report to the Minnesota higher education coordinating board or the Minnesota department of education may be considered when determining enrollment"

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

House Conferees: HOWARD R. ORENSTEIN, GLORIA M. SEGAL AND DOUGLAS G. SWENSON.

Senate Conferees: JIM M. VICKERMAN, JAMES C. PEHLER AND HOWARD A. KNUTSON.

Orenstein moved that the report of the Conference Committee on H. F. No. 943 be adopted and that the bill be repassed as amended by the Conference Committee. The motion prevailed.

H. F. No. 943, A bill for an act relating to health; requiring post-secondary students to submit a statement of immunization; providing exemptions; amending Minnesota Statutes 1988, sections 120.102, subdivision 1; and 123.70, subdivisions 1, 2, 4, 9, and by

adding a subdivision; proposing coding for new law in Minnesota Statutes, chapter 135A.

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

The question was taken on the repassage of the bill and the roll was called. There were 129 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Abrams	Frerichs	Krueger	Osthoff	Segal
Anderson, G.	Girard	Lasley	Ostrom	Simoneau
Battaglia	Greenfield	Lieder	Otis	Skoglund
Bauerly	Gruenes	Long	Ozment	Solberg
Beard	Gutknecht	Lynch	Pappas	Sparby
Begich	Hartle	Macklin	Pauly	Stanius
Bennett	Hasskamp	Marsh	Pellow	Steensma
Bertram	Haukoos	McDonald	Pelowski	Swiggum
Bishop	Heap	McEachern	Peterson	Swenson
Blatz	Henry	McGuire	Poppenhagen	Tjornhom
Boo	Himle	McLaughlin	Price	Tompkins
Brown	Hugoson	McPherson	Pugh	Trimble
Burger	Jacobs	Milbert	Quinn	Tunheim
Carlson, D.	Janezich	Miller	Redalen	Uphus
Carlson, L.	Jaros	Morrison	Reding	Valento
Carruthers	Jefferson	Munger	Rest	Vellenga
Clark	Jennings	Murphy	Rice	Wagenius
Conway	Johnson, A.	Nelson, C.	Richter	Waltman
Cooper	Johnson, R.	O'Connor	Rodosovich	Weaver
Dauner	Johnson, V.	Ogren	Rukavina	Welle
Dawkins	Kahn	Olsen, S.	Runbeck	Wenzel
Dempsey	Kalis	Olson, E.	Sarna	Williams
Dille	Kelly	Olson, K.	Schafer	Winter
Dorn	Kinkel	Omahn	Scheid	Wynia
Forsythe	Knickerbocker	Onnen	Schreiber	Spk. Vanasek
Frederick	Kostohryz	Orenstein	Seaberg	

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

CONFERENCE COMMITTEE REPORT ON H. F. NO. 956

A bill for an act relating to insurance; clarifying the calculation of underinsured motorist benefits; amending Minnesota Statutes 1988, section 65B.49, subdivisions 3a and 4a.

May 10, 1989

The Honorable Robert E. Vanasek
Speaker of the House of Representatives.

The Honorable Jerome M. Hughes
President of the Senate

We, the undersigned conferees for H. F. No. 956, report that we have agreed upon the items in dispute and recommend as follows:

That the Senate recede from its amendments and that H. F. No. 956 be further amended as follows:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1988, section 65B.49, subdivision 3a, is amended to read:

Subd. 3a. [UNINSURED AND UNDERINSURED MOTORIST COVERAGES.] (1) No plan of reparation security may be renewed, delivered or issued for delivery, or executed in this state with respect to any motor vehicle registered or principally garaged in this state unless separate uninsured and underinsured motorist coverages are provided therein. ~~The coverages combined~~ Each coverage, at a minimum, must provide limits of \$25,000 because of injury to or the death of one person in any accident and \$50,000 because of injury to or the death of two or more persons in any accident. In the case of injury to, or the death of, two or more persons in any accident, the amount available to any one person must not exceed the coverage limit provided for injury to, or the death of, one person in any accident. ~~For purposes of this subdivision, uninsured motorist coverage and underinsured motorist coverage shall be a single coverage.~~

(2) Every owner of a motor vehicle registered or principally garaged in this state shall maintain uninsured and underinsured motorist coverages as provided in this subdivision.

(3) No reparation obligor is required to provide limits of uninsured and underinsured motorist coverages in excess of the bodily injury liability limit provided by the applicable plan of reparation security.

(4) No recovery shall be permitted under the uninsured and underinsured motorist coverages of this section for basic economic loss benefits paid or payable, or which would be payable but for any applicable deductible.

(5) If at the time of the accident the injured person is occupying a motor vehicle, the limit of liability for uninsured and underinsured motorist coverages available to the injured person is the limit specified for that motor vehicle. However, if the injured person is occupying a motor vehicle of which the injured person is not an insured, the injured person may be entitled to excess insurance protection afforded by a policy in which the injured party is otherwise insured. The excess insurance protection is limited to the extent of covered damages sustained, and further is available only to the extent by which the limit of liability for like coverage applicable to any one motor vehicle listed on the automobile insurance policy of which the injured person is an insured exceeds the limit of liability of the coverage available to the injured person from the occupied motor vehicle.

If at the time of the accident the injured person is not occupying a motor vehicle, the injured person is entitled to select any one limit of liability for any one vehicle afforded by a policy under which the injured person is insured.

(6) Regardless of the number of policies involved, vehicles involved, persons covered, claims made, vehicles or premiums shown on the policy, or premiums paid, in no event shall the limit of liability for uninsured and underinsured motorist coverages for two or more motor vehicles be added together to determine the limit of insurance coverage available to an injured person for any one accident.

(7) The uninsured and underinsured motorist coverages required by this subdivision do not apply to bodily injury of the insured while occupying a motor vehicle owned by the insured, unless the occupied vehicle is an insured motor vehicle.

Sec. 2. Minnesota Statutes 1988, section 65B.49, subdivision 4a, is amended to read:

Subd. 4a. [LIABILITY ON UNDERINSURED MOTOR VEHICLES.] With respect to underinsured motor vehicles coverage, the maximum liability of an insurer is the lesser of the difference between the limit of underinsured motorist coverage and the amount paid to the insured by or for any person or organization who may be held legally liable for the bodily injury; or the amount of damages sustained but not recovered from the insurance policy of the driver or owner of any underinsured at fault vehicle. If a person is injured by two or more vehicles, underinsured motorist coverage is payable whenever any one of those vehicles meets the definition of underinsured motorist vehicle in Minnesota Statutes, section 65B.43, subdivision 17. However, in no event shall the underinsured motorist carrier have to pay more than the amount of its underinsured motorist limits.

Sec. 3. [EFFECTIVE DATE.]

Sections 1 and 2 are effective for all contracts issued or renewed on or after August 1, 1989, or for all injuries occurring on or after August 1, 1989, or for deaths occurring as the result of injuries sustained on or after August 1, 1989.

Delete the title and insert:

“A bill for an act relating to insurance; clarifying the calculation of underinsured motorist benefits; amending Minnesota Statutes 1988, section 65B.49, subdivisions 3a and 4a.”

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

House Conferees: PHIL CARRUTHERS, RANDY C. KELLY, TERRY DEMPSEY, WAYNE SIMONEAU AND DAVE BISHOP.

Senate Conferees: DONNA C. PETERSON, WILLIAM P. LUTHER, SAM G. SOLON, FRITZ KNAAK AND GEN OLSON.

Carruthers moved that the report of the Conference Committee on H. F. No. 956 be adopted and that the bill be repassed as amended by the Conference Committee. The motion prevailed.

H. F. No. 956, A bill for an act relating to insurance; clarifying the calculation of underinsured motorist benefits; amending Minnesota Statutes 1988, section 65B.49, subdivisions 3a and 4a.

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 109 yeas and 18 nays as follows:

Those who voted in the affirmative were:

Abrams	Dorn	Lieder	Orenstein	Segal
Anderson, G.	Frederick	Limmer	Osthoff	Skoglund
Battaglia	Greenfield	Long	Ostrom	Solberg
Bauerly	Gruenes	Lynch	Otis	Sparby
Beard	Hartle	Macklin	Ozment	Steensma
Begich	Hasskamp	Marsh	Pappas	Swenson
Bennett	Haukoos	McEachern	Pauly	Tjornhom
Bertram	Heap	McGuire	Pellow	Trimble
Bishop	Henry	McLaughlin	Pelowski	Tunheim
Blatz	Jacobs	McPherson	Peterson	Uphus
Boo	Janezich	Milbert	Price	Valento
Brown	Jaros	Miller	Pugh	Vellenga
Burger	Jefferson	Morrison	Quinn	Wagenius
Carlson, L.	Jennings	Murphy	Rest	Waltman
Carruthers	Johnson, A.	Nelson, C.	Rice	Weaver
Clark	Johnson, R.	Nelson, K.	Rodosovich	Welle
Conway	Kahn	O'Connor	Rukavina	Wenzel
Cooper	Kelly	Ogren	Runbeck	Williams
Dauner	Kinkel	Olsen, S.	Sarna	Winter
Dawkins	Knickerbocker	Olson, E.	Scheid	Wynia
Dempsey	Krueger	Olson, K.	Schreiber	Spk. Vanasek
Dille	Lasley	Omann	Seaberg	

Those who voted in the negative were:

Carlson, D.	Gutknecht	Onnen	Richter	Sviggum
Forsythe	Hugoson	Poppenhagen	Schafer	Tompkins
Frerichs	Johnson, V.	Redalen	Simoneau	
Girard	McDonald	Reding	Stanius	

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

CONFERENCE COMMITTEE REPORT ON H. F. NO. 949

A bill for an act relating to traffic safety; increasing penalties for persons convicted of DWI after a previous conviction for criminal vehicular operation or for another impaired driving crime; amending Minnesota Statutes 1988, section 169.121, subdivision 3.

May 10, 1989

The Honorable Robert E. Vanasek
Speaker of the House of Representatives

The Honorable Jerome M. Hughes
President of the Senate

We, the undersigned conferees for H. F. No. 949, report that we have agreed upon the items in dispute and recommend as follows:

That the House concur in the Senate amendment and that H. F. No. 949 be further amended as follows:

Page 2, line 4, after the first "1" insert ", paragraph (a)"

Page 2, line 6, after the semicolon insert "609.21, subdivision 4, clause (2) or (3);"

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

House Conferees: MARCEL "SAL" FREDERICK, RANDY C. KELLY AND PHIL CARRUTHERS.

Senate Conferees: GLEN TAYLOR, ALLAN H. SPEAR AND LAWRENCE J. POGEMILLER.

Frederick moved that the report of the Conference Committee on H. F. No. 949 be adopted and that the bill be repassed as amended by the Conference Committee. The motion prevailed.

H. F. No. 949, A bill for an act relating to traffic safety; increasing penalties for persons convicted of DWI after a previous conviction for criminal vehicular operation or for another impaired driving crime; amending Minnesota Statutes 1988, section 169.121, subdivision 3.

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

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

Those who voted in the affirmative were:

Abrams	Frerichs	Krueger	Onnen	Seaberg
Anderson, G.	Girard	Lasley	Orenstein	Segal
Battaglia	Greenfield	Lieder	Osthoff	Simoneau
Bauerly	Gruenes	Limmer	Ostrom	Skoglund
Beard	Gutknecht	Long	Otis	Solberg
Begich	Hartle	Lynch	Ozment	Sparby
Bennett	Hasskamp	Macklin	Pappas	Stanius
Bertram	Haukoos	Marsh	Pauly	Steensma
Bishop	Heap	McDonald	Pellow	Sviggum
Blatz	Henry	McEachern	Pelowski	Swenson
Boo	Himle	McGuire	Peterson	Tjornhom
Brown	Hugoson	McLaughlin	Poppenhagen	Tompkins
Burger	Jacobs	McPherson	Price	Trimble
Carlson, D.	Janezich	Milbert	Pugh	Tunheim
Carlson, L.	Jaros	Miller	Redalen	Uphus
Carruthers	Jefferson	Morrison	Reding	Valento
Clark	Jennings	Munger	Rest	Vellenga
Conway	Johnson, A.	Murphy	Rice	Wagenius
Cooper	Johnson, R.	Nelson, C.	Richter	Waltman
Dauner	Johnson, V.	Nelson, K.	Rodosovich	Weaver
Dawkins	Kahn	O'Connor	Rukavina	Welle
Dempsey	Kalis	Ogren	Runbeck	Wenzel
Dille	Kelly	Olsen, S.	Sarna	Williams
Dorn	Kinkel	Olson, E.	Schafer	Winter
Forsythe	Knickerbocker	Olson, K.	Scheid	Wynia
Frederick	Kostohryz	Omann	Schreiber	Spk. Vanasek

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

MESSAGES FROM THE SENATE

The following message was received from 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. 1197, A bill for an act relating to Minnesota Statutes; correcting erroneous, ambiguous, and omitted text and obsolete references; eliminating certain redundant, conflicting, and superseded provisions; making miscellaneous technical corrections to statutes and other laws; amending Minnesota Statutes 1988, sections 10A.01, subdivisions 5 and 18; 10A.32, subdivision 3a; 13.46, subdivision 2; 13.75, subdivision 2; 16A.26; 16B.28, subdivision 3;

18B.25, subdivision 4; 45.028, subdivision 1; 69.32; 105.81; 115A.195; 115C.08, subdivision 3; 116.44, subdivision 1; 122.23, subdivision 18; 122.96, subdivision 3; 124.646, subdivision 1; 124A.24; 124A.27, subdivision 1; 127.35; 136C.61, subdivision 1; 136D.27, subdivision 3; 136D.71; 136D.74, subdivision 2b; 136D.741, subdivision 4; 136D.87, subdivision 3; 141.35; 144.122; 144.335, subdivision 2; 145A.07, subdivision 1; 145A.13; 157.03; 168.33, subdivision 2; 168A.24, subdivision 2; 168A.29, subdivision 3; 169.345, subdivision 2; 176.081, subdivision 1; 176.101, subdivision 3e; 176.131, subdivision 1; 176.421, subdivision 7; 205.065, subdivision 1; 205.18, subdivision 2; 211B.15, subdivision 4; 214.01, subdivision 2; 245.77; 256.01, subdivision 2; 256.991; 256B.69, subdivision 16; 256D.03, subdivision 4; 256G.02, subdivision 4; 256G.06; 257.354, subdivision 4; 268.04, subdivision 32; 268.10, subdivision 1; 272.02, subdivision 1; 273.124, subdivision 6; 290.05, subdivision 3; 290.92, subdivision 23; 297.07, subdivision 3; 297.35, subdivision 3; 298.2211, subdivision 1; 308.11; 340A.414, subdivision 6; 349.213, subdivision 2; 352.01, subdivision 2b; 353.01, subdivision 2a; 363.06, subdivision 4; 383B.229; 383B.77; 383C.331; 383C.334; 469.0721; 469.121, subdivision 1; 469.129, subdivision 1; 471.562, subdivision 4; 471.563; 473.605, subdivision 2; 473.845, subdivision 1; 474A.02, subdivision 18; 480A.02, subdivision 7; 485.018, subdivision 2; 515A.3-115; 525.94, subdivision 3; 548.09, subdivision 2; 604.02, subdivision 1; 609.506, subdivision 1; and 611A.53, subdivision 1; reenacting Minnesota Statutes 1988, section 80A.14, subdivision 18; repealing Minnesota Statutes 1988, sections 260.125, subdivision 6; 326.01, subdivision 21; and 362A.08; amending Laws 1976, chapter 134, section 79; Laws 1988, chapter 640, section 5; and chapter 719, article 12, section 29; repealing Laws 1965, chapter 267, section 1; Laws 1971, chapter 830, section 7; Laws 1976, chapter 2, section 62; chapter 134, section 2; chapter 163, section 10; and chapter 173, section 53; Laws 1977, chapter 35, section 8; Laws 1978, chapter 496, section 1; and chapter 706, section 31; Laws 1979, chapter 48, section 2; and chapter 184, section 3; Laws 1981, chapter 271, section 1; Laws 1982, chapter 514, section 15; Laws 1983, chapter 242, section 1; chapter 247, section 38; chapter 289, section 4; chapter 290, sections 2 and 3; chapter 299, section 26; and chapter 303, sections 21 and 22; Laws 1984, chapter 654, article 2, section 117; Laws 1986, chapter 312, section 1; chapter 400, section 43; and chapter 452, section 17; Laws 1986, First Special Session chapter 3, article 1, sections 74 and 79; and Laws 1987, chapter 268, article 5, section 5; chapter 384, article 2, section 25; chapter 385, section 7; chapter 403, article 5, section 1; and chapter 404, section 138.

PATRICK E. FLAHAVEN, Secretary of the Senate

CONCURRENCE AND REPASSAGE

Bishop moved that the House concur in the Senate amendments to

H. F. No. 1197 and that the bill be repassed as amended by the Senate. The motion prevailed.

H. F. No. 1197, A bill for an act relating to Minnesota Statutes; correcting erroneous, ambiguous, and omitted text and obsolete references; eliminating certain redundant, conflicting, and superseded provisions; making miscellaneous technical corrections to statutes and other laws; amending Minnesota Statutes 1988, sections 10A.01, subdivisions 5 and 18; 10A.32, subdivision 3a; 13.46, subdivision 2; 13.75, subdivision 2; 16A.26; 16B.28, subdivision 3; 18B.25, subdivision 4; 45.028, subdivision 1; 69.32; 105.81; 115A.195; 115C.08, subdivision 3; 116.44, subdivision 1; 122.23, subdivision 18; 122.96, subdivision 3; 124.646, subdivision 1; 124A.24; 124A.27, subdivision 1; 127.35; 136C.61, subdivision 1; 136D.27, subdivision 3; 136D.71; 136D.74, subdivision 2b; 136D.741, subdivision 4; 136D.87, subdivision 3; 141.35; 144.122; 144.335, subdivision 2; 145A.07, subdivision 1; 145A.13; 157.03; 168.33, subdivision 2; 168A.24, subdivision 2; 168A.29, subdivision 3; 169.345, subdivision 2; 176.081, subdivision 1; 176.101, subdivision 3e; 176.131, subdivision 1; 176.421, subdivision 7; 205.065, subdivision 1; 205.18, subdivision 2; 211B.15, subdivision 4; 214.01, subdivision 2; 245.77; 256.01, subdivision 2; 256.991; 256B.69, subdivision 16; 256D.03, subdivision 4; 256G.02, subdivision 4; 256G.06; 257.354, subdivision 4; 268.04, subdivision 32; 268.10, subdivision 1; 272.02, subdivision 1; 273.124, subdivision 6; 290.05, subdivision 3; 297.07, subdivision 3; 297.35, subdivision 3; 298.2211, subdivision 1; 308.11; 340A.414, subdivision 6; 349.213, subdivision 2; 352.01, subdivision 2b; 353.01, subdivision 2a; 363.06, subdivision 4; 383B.229; 383B.77; 383C.331; 383C.334; 469.0721; 469.121, subdivision 1; 469.129, subdivision 1; 471.562, subdivision 4; 471.563; 473.605, subdivision 2; 473.845, subdivision 1; 474A.02, subdivision 18; 480A.02, subdivision 7; 485.018, subdivision 2; 515A.3-115; 525.94, subdivision 3; 548.09, subdivision 2; 604.02, subdivision 1; 609.506, subdivision 1; and 611A.53, subdivision 1; reenacting Minnesota Statutes 1988, section 80A.14, subdivision 18; repealing Minnesota Statutes 1988, sections 260.125, subdivision 6; 326.01, subdivision 21; and 362A.08; amending Laws 1976, chapter 134, section 79; Laws 1988, chapter 640, section 5; and chapter 719, article 12, section 29; repealing Laws 1965, chapter 267, section 1; Laws 1971, chapter 830, section 7; Laws 1976, chapter 2, section 62; chapter 134, section 2; chapter 163, section 10; and chapter 173, section 53; Laws 1977, chapter 35, section 8; Laws 1978, chapter 496, section 1; and chapter 706, section 31; Laws 1979, chapter 48, section 2; and chapter 184, section 3; Laws 1981, chapter 271, section 1; Laws 1982, chapter 514, section 15; Laws 1983, chapter 242, section 1; chapter 247, section 38; chapter 289, section 4; chapter 290, sections 2 and 3; chapter 299, section 26; and chapter 303, sections 21 and 22; Laws 1984, chapter 654, article 2, section 117; Laws 1986, chapter 312, section 1; chapter 400, section 43; and chapter 452, section 17; Laws 1986, First Special Session chapter 3, article 1, sections 74 and 79; and Laws 1987, chapter 268, article 5, section 5;

chapter 384, article 2, section 25; chapter 385, section 7; chapter 403, article 5, section 1; and chapter 404, section 138.

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

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

Those who voted in the affirmative were:

Abrams	Frerichs	Krueger	Onnen	Schreiber
Anderson, G.	Girard	Lasley	Orenstein	Seaberg
Battaglia	Greenfield	Lieder	Osthoff	Segal
Bauerly	Gruenes	Limmer	Ostrom	Simoneau
Beard	Gutknecht	Long	Otis	Skoglund
Begich	Hartle	Lynch	Ozment	Solberg
Bennett	Hasskamp	Macklin	Pappas	Sparby
Bertram	Haukoos	Marsh	Pauly	Stanis
Bishop	Heap	McDonald	Pellow	Steensma
Blatz	Henry	McEachern	Pelowski	Swiggum
Boo	Himle	McGuire	Peterson	Swenson
Brown	Hugoson	McLaughlin	Poppenhagen	Tjornhom
Burger	Jacobs	McPherson	Price	Tompkins
Carlson, D.	Janezich	Milbert	Pugh	Trimble
Carlson, L.	Jaros	Miller	Quinn	Tunheim
Carruthers	Jefferson	Morrison	Redalen	Uphus
Clark	Jennings	Munger	Reding	Valento
Conway	Johnson, A.	Murphy	Rest	Vellenga
Cooper	Johnson, R.	Nelson, C.	Rice	Wagenius
Dauner	Johnson, V.	Nelson, K.	Richter	Waltman
Dawkins	Kahn	O'Connor	Rodosovich	Weaver
Dempsey	Kalis	Ogren	Rukavina	Welle
Dille	Kelly	Olsen, S.	Runbeck	Wenzel
Dorn	Kinkel	Olson, E.	Sarna	Williams
Forsythe	Knickerbocker	Olson, K.	Schafer	Winter
Frederick	Kostohryz	Omann	Scheid	Wynia
				Spk. Vanasek

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

ANNOUNCEMENTS BY THE SPEAKER

The Speaker announced the appointment of the following members of the House to a Conference Committee on H. F. No. 245:

Jennings, Neuenschwander and Ozment.

The Speaker announced the appointment of the following members of the House to a Conference Committee on H. F. No. 761:

Simoneau, Orenstein and Dempsey.

The Speaker announced the appointment of the following members of the House to a Conference Committee on H. F. No. 1016:

Morrison, Kelly and Pugh.

The Speaker announced the appointment of the following members of the House to a Conference Committee on S. F. No. 180:

Hugoson, Sarna and Heap.

The Speaker announced the appointment of the following members of the House to a Conference Committee on S. F. No. 1358:

Wynia, Lieder and Boo.

CONSIDERATION UNDER RULE 1.10

Pursuant to rule 1.10, Anderson, G., requested immediate consideration of H. F. No. 629.

The Speaker called Quinn to the Chair.

H. F. No. 629 was reported to the House.

Scheid, Boo, Osthoff, Steensma, Knickerbocker, Sviggum, McEachern and Abrams moved to amend H. F. No. 629, the third engrossment, as follows:

Page 11, after line 6, insert:

"Sec. 9. Minnesota Statutes 1988, section 10A.32, is amended by adding a subdivision to read:

Subd. 2a. [MATCHING FUNDS.] In addition to the requirements of subdivision 3, to be eligible to receive any money from the state elections campaign fund, a candidate shall file an affidavit with the board stating that during that calendar year the candidate has accumulated contributions, including unexpended balances from the prior year, or has made contributions to self, in an amount equal to or greater than 50 percent of the minimum amount that the board estimates, on August 15 of the general election year, would be received by the candidate from the state campaign fund. The candidate shall submit the affidavit required by this subdivision to

the board in writing on or before October 1 of the general election year."

Renumber the sections in sequence

Correct internal references

Amend the title as follows:

Page 1, line 27, delete "a subdivision" and insert "subdivisions"

A roll call was requested and properly seconded.

The question was taken on the Scheid et al amendment and the roll was called. There were 70 yeas and 60 nays as follows:

Those who voted in the affirmative were:

Abrams	Frederick	Knickerbocker	Olsen, S.	Sarna
Anderson, G.	Frerichs	Kostohryz	Olson, E.	Schafer
Anderson, R.	Girard	Lieder	Omman	Scheid
Beard	Gruenes	Limmer	Onnen	Schreiber
Bennett	Gutknecht	Lynch	Orenstein	Stanius
Bishop	Hartle	Macklin	Osthoff	Steensma
Blatz	Haukoos	Marsh	Ozment	Sviggum
Boo	Heap	McDonald	Pauly	Swenson
Burger	Henry	McEachern	Pellow	Tjornhom
Carlson, D.	Himle	McPherson	Poppenhagen	Tompkins
Carruthers	Hugoson	Milbert	Pugh	Uphus
Dempsey	Jacobs	Miller	Redalen	Valento
Dille	Jennings	Morrison	Richter	Waltman
Dorn	Johnson, V.	O'Connor	Runbeck	Weaver

Those who voted in the negative were:

Battaglia	Janezich	McGuire	Peterson	Solberg
Bauerly	Jaros	McLaughlin	Price	Sparby
Begich	Jefferson	Munger	Quinn	Trimble
Bertram	Johnson, A.	Murphy	Reding	Tunheim
Carlson, L.	Johnson, R.	Nelson, C.	Rest	Vellenga
Clark	Kahn	Nelson, K.	Rice	Wagenius
Conway	Kalis	Ogren	Rodosovich	Welle
Cooper	Kelly	Olson, K.	Rukavina	Wenzel
Dauner	Kinkel	Ostrom	Seaberg	Williams
Dawkins	Krueger	Otis	Segal	Winter
Greenfield	Lasley	Pappas	Simoneau	Wynia
Hasskamp	Long	Pelowski	Skoglund	Spk. Vanasek

The motion prevailed and the amendment was adopted.

Johnson, A., offered an amendment to H. F. No. 629, the third engrossment, as amended.

Scheid requested a division of the Johnson, A., amendment to H. F. No. 629, the third engrossment, as amended.

The first portion of the Johnson, A., amendment to H. F. No. 629, the third engrossment, as amended, reads as follows:

Page 1, line 24 of the Scheid amendment, delete "50" and insert "25".

The motion did not prevail and the first portion of the Johnson, A., amendment to H. F. No. 629, the third engrossment, as amended, was not adopted.

Johnson, A., withdrew the second portion of her amendment to H. F. No. 629, the third engrossment, as amended.

Osthoff moved to amend H. F. No. 629, the third engrossment, as amended, as follows:

Page 5, line 19, delete "Subdivision 1. [METHOD OF CALCULATION.]"

Page 5, line 20, delete "1990" and insert "1989"

Page 5, line 25, after "made" insert ", or December 1987, for the adjustment made in 1989."

Page 5, delete lines 35 and 36

Page 6, delete lines 1 to 7

The motion prevailed and the amendment was adopted.

Sviggum moved to amend H. F. No. 629, the third engrossment, as amended, as follows:

Page 3, after line 2, insert:

"Sec. 3. Minnesota Statutes 1988, section 10A.19, subdivision 1, is amended to read:

Subdivision 1. No candidate shall accept contributions from any source, other than self, in aggregate in excess of \$100 or any money from the state elections campaign fund unless the candidate designates and causes to be formed a single principal campaign committee. No candidate may give express or implied consent to, or expressly or impliedly authorize or cooperate with, the formation or activities of any political committee or political fund with the candidate's name or title, other than the candidate's principal campaign committee."

Renumber subsequent sections

Correct internal cross-references

Amend the title as follows:

Page 1, line 6, after the semi-colon, insert "prohibiting certain cooperation with certain political committees or funds;"

Page 1, line 24, after the semi-colon, insert "10A.19, subdivision 1;"

A roll call was requested and properly seconded.

The question was taken on the Sviggum amendment and the roll was called. There were 55 yeas and 73 nays as follows:

Those who voted in the affirmative were:

Abrams	Girard	Limmer	Omann	Schreiber
Bennett	Gruenes	Lynch	Onnen	Seaberg
Bishop	Gutknecht	Macklin	Ozment	Stanius
Blatz	Hartle	Marsh	Pauly	Sviggum
Boo	Haukoos	McDonald	Pellow	Swenson
Carlson, D.	Heap	McEachern	Poppenhagen	Tjornhom
Dempsey	Henry	McPherson	Redalen	Tompkins
Dille	Himle	Miller	Richter	Uphus
Forsythe	Hugoson	Morrison	Rumbeck	Valento
Frederick	Jacobs	O'Connor	Sarna	Waltman
Frerichs	Johnson, V.	Olsen, S.	Schafer	Weaver

Those who voted in the negative were:

Battaglia	Hasskamp	Lieder	Pappas	Solberg
Bauerly	Janezich	Long	Pelowski	Sparby
Beard	Jaros	McGuire	Peterson	Steensma
Begich	Jefferson	McLaughlin	Price	Trimble
Bertram	Jennings	Milbert	Pugh	Tunheim
Brown	Johnson, A.	Munger	Quinn	Vellenga
Carlson, L.	Johnson, R.	Murphy	Reding	Wagenius
Carruthers	Kahn	Nelson, C.	Rest	Welle
Clark	Kalis	Nelson, K.	Rice	Wenzel
Conway	Kelly	Ogren	Rodosovich	Williams
Cooper	Kinkel	Olson, E.	Rukavina	Winter
Dauner	Knickerbocker	Olson, K.	Scheid	Wynia
Dawkins	Kostohryz	Orenstein	Segal	Spk. Vanasek
Dorn	Krueger	Osthoff	Simoneau	
Greenfield	Lasley	Ostrom	Skoglund	

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

Miller, Sviggum and Weaver moved to amend H. F. No. 629, the third engrossment, as amended, as follows:

Pages 11 to 13, delete section 9

Page 16, line 36, delete "section" and insert "sections 10A.25, subdivision 10; and" and delete "is" and insert "are"

Renumber the sections in sequence

Correct internal references

Amend the title accordingly

A roll call was requested and properly seconded.

The question was taken on the Miller et al amendment and the roll was called. There were 56 yeas and 74 nays as follows:

Those who voted in the affirmative were:

Abrams	Frerichs	Johnson, V.	Olsen, S.	Schafer
Bennett	Girard	Knickerbocker	Omann	Schreiber
Bishop	Gruenes	Limmer	Onnen	Seaberg
Blatz	Gutknecht	Lynch	Ozment	Stanius
Boo	Hartle	Macklin	Pauly	Sviggum
Burger	Haukoos	Marsh	Pellow	Swenson
Carlson, D.	Heap	McDonald	Poppenhagen	Tjornhom
Dempsey	Henry	McPherson	Redalen	Tompkins
Dille	Himle	Miller	Richter	Uphus
Forsythe	Hugoson	Morrison	Runbeck	Valento
Frederick	Jacobs	O'Connor	Sarna	Waltman
				Weaver

Those who voted in the negative were:

Anderson, G.	Greenfield	Long	Otis	Skoglund
Battaglia	Hasskamp	McEachern	Pappas	Solberg
Bauerly	Janezich	McGuire	Pelowski	Sparby
Beard	Jaros	McLaughlin	Peterson	Steenasma
Begich	Jefferson	Milbert	Price	Trimble
Bertram	Jennings	Munger	Pugh	Tunheim
Brown	Johnson, A.	Murphy	Quinn	Vellenga
Carlson, L.	Johnson, R.	Nelson, C.	Reding	Wagenius
Carruthers	Kahn	Nelson, K.	Rest	Welle
Clark	Kalis	Ogren	Rice	Wenzel
Conway	Kelly	Olson, E.	Rodosovich	Williams
Cooper	Kinkel	Olson, K.	Rukavina	Winter
Dauner	Kostohryz	Orenstein	Scheid	Wynia
Dawkins	Krueger	Osthoff	Segal	Spk. Vanasek
Dorn	Lieder	Ostrom	Simoneau	

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

Dempsey was excused while in conference.

Carlson, D.; Ozment; Schafer; McDonald; Richter; Stanius; Olsen, S.; Seaberg; Dempsey; Waltman; Onnen; Boo; Morrison; Runbeck; Tjornhom; Frerichs; Tompkins; Sviggum; Burger; Lynch; Swenson; Himle; Abrams; Blatz; Dille; Macklin; Omann; Schreiber; Limmer; Henry; Weaver; Haukoos; Frederick; Hartle; Gutknecht; Pauly; Girard; McPherson; Marsh; Knickerbocker; Gruenes and Pellow

moved to amend H. F. No. 629, the third engrossment, as amended, as follows:

Page 2, line 10, after "solicit" insert "or accept"

A roll call was requested and properly seconded.

Scheid moved to amend the Carlson, D., et al amendment to H. F. No. 629, the third engrossment, as amended, as follows:

In the Carlson, D., et al amendment, after line 3, insert:

"Page 2, line 23, after the comma insert "registered lobbyist,"

A roll call was requested and properly seconded.

The question was taken on the amendment to the amendment and the roll was called. There were 128 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Abrams	Greenfield	Limmer	Ostrom	Simoneau
Anderson, G.	Gruenes	Long	Otis	Skoglund
Battaglia	Gutknecht	Lynch	Ozment	Solberg
Bauerly	Hartle	Macklin	Pappas	Sparby
Beard	Hasskamp	Marsh	Pauly	Stanisus
Begich	Haukoos	McDonald	Pellow	Steensma
Bennett	Heap	McEachern	Pelowski	Sviggum
Bertram	Henry	McGuire	Peterson	Swenson
Bishop	Himle	McLaughlin	Poppenhagen	Tjornhom
Blatz	Hugoson	McPherson	Price	Tompkins
Boo	Jacobs	Milbert	Pugh	Trimble
Brown	Janezich	Miller	Quinn	Tunheim
Burger	Jaros	Morrison	Redalen	Uphus
Carlson, D.	Jefferson	Munger	Reding	Valento
Carruthers	Jennings	Murphy	Rest	Vellenga
Clark	Johnson, A.	Nelson, C.	Rice	Wagenius
Conway	Johnson, R.	Nelson, K.	Richter	Waltman
Cooper	Johnson, V.	O'Connor	Rodosovich	Weaver
Dauner	Kallis	Ogren	Rukavina	Welle
Dawkins	Kelly	Olsen, S.	Runbeck	Wenzel
Dille	Kinkel	Olsen, E.	Sarna	Williams
Dorn	Knickerbocker	Olson, K.	Schafer	Winter
Forsythe	Kostohryz	Omanni	Scheid	Wynia
Frederick	Krueger	Onnen	Schreiber	Spk. Vanasek
Frerichs	Lasley	Orenstein	Seaberg	
Girard	Lieder	Osthoff	Segal	

The motion prevailed and the amendment to the amendment was adopted.

The question recurred on the Carlson, D., et al amendment, as amended, and the roll was called. There were 121 yeas and 6 nays as follows:

Those who voted in the affirmative were:

Abrams	Girard	Lasley	Onnen	Seaberg
Anderson, G.	Greenfield	Lieder	Orenstein	Segal
Battaglia	Grüenes	Limmer	Ostrom	Simoneau
Beard	Gutknecht	Long	Otis	Skoglund
Begich	Hartle	Lynch	Ozment	Solberg
Bennett	Hasskamp	Macklin	Pappas	Stanius
Bertram	Haukoos	Marsh	Pauly	Steenasma
Bishop	Heap	McDonald	Pellow	Svigum
Blatz	Henry	McEachern	Pelowski	Swenson
Boo	Himle	McGuire	Peterson	Tjornhom
Brown	Hugoson	McLaughlin	Poppenhagen	Tompkins
Burger	Jacobs	McPherson	Price	Trimble
Carlson, D.	Janezich	Milbert	Pugh	Tunheim
Carruthers	Jefferson	Miller	Quinn	Uphus
Clark	Jennings	Morrison	Redalen	Valento
Conway	Johnson, A.	Munger	Reding	Vellenga
Cooper	Johnson, R.	Murphy	Rest	Wagenius
Dauner	Johnson, V.	Nelson, C.	Rice	Waltman
Dawkins	Kalis	Nelson, K.	Richter	Weaver
Dille	Kelly	O'Connor	Runbeck	Welle
Dorn	Kinkel	Olsen, S.	Sarna	Wenzel
Forsythe	Knickerbocker	Olson, E.	Schafer	Williams
Frederick	Kostohryz	Olson, K.	Scheid	Winter
Frichs	Krueger	Omman	Schreiber	Wynia
				Spk. Vanasek

Those who voted in the negative were:

Bauerly	Ogren	Rodosovich
Jaros	Osthoff	Rukavina

The motion prevailed and the amendment, as amended, was adopted.

Long moved to amend H. F. No. 629, the third engrossment, as amended, as follows:

Page 1, line 24, of the Scheid amendment, delete "50" and insert "20"

A roll call was requested and properly seconded.

The question was taken on the Long amendment and the roll was called. There were 69 yeas and 58 nays as follows:

Those who voted in the affirmative were:

Battaglia	Cooper	Jaros	Krueger	Nelson, K.
Beard	Dauner	Jefferson	Lasley	Ogren
Begich	Dawkins	Johnson, A.	Long	Olson, K.
Bertram	Dorn	Johnson, R.	McGuire	Omman
Brown	Forsythe	Kalis	McLaughlin	Onnen
Carlson, L.	Greenfield	Kelly	Milbert	Orenstein
Carruthers	Hasskamp	Kinkel	Murphy	Ostrom
Clark	Janezich	Kostohryz	Nelson, C.	Otis

Pappas	Rice	Simoneau	Trimble	Wenzel
Pelowski	Richter	Skoglund	Tunheim	Williams
Peterson	Rodosovich	Solberg	Vellenga	Winter
Quinn	Rukavina	Sparby	Wagenius	Wynia
Reding	Seaberg	Steensma	Weaver	Spk. Vanasek
Rest	Segal	Tompkins	Welle	

Those who voted in the negative were:

Abrams	Girard	Kahn	O'Connor	Schafer
Anderson, R.	Gruenes	Knickerbocker	Olsen, S.	Scheid
Bennett	Gutknecht	Lieder	Olson, E.	Schreiber
Bishop	Hartle	Limmer	Osthoff	Stanius
Blatz	Haukoos	Lynch	Ozment	Sviggum
Boo	Heap	Macklin	Pauly	Swenson
Burger	Henry	Marsh	Pellow	Tjornhom
Carlson, D.	Himle	McDonald	Poppenhagen	Uphus
Conway	Hugoson	McEachern	Pugh	Valento
Dille	Jacobs	McPherson	Redalen	Waltman
Frederick	Jennings	Miller	Runbeck	
Frerichs	Johnson, V.	Morrison	Sarna	

The motion prevailed and the amendment was adopted.

The Speaker resumed the Chair.

H. F. No. 629, A bill for an act relating to elections; ethics in government; clarifying and modifying certain exceptions to multi-candidate political party expenditure limitations; modifying lobbyist reporting requirements; expanding certain reports by certain political committees and political funds; discontinuing the state ethical practices board responsibility for developing and furnishing certain forms; limiting contributions and solicitations during a regular legislative session; providing a public subsidy for legislative candidates in special elections; providing an income tax credit for contributions to state candidates and political parties; requiring candidates to match funds received from the state elections campaign fund; providing a schedule for distribution of political campaign checkoff money to political parties; requiring deer licenses to include an application for absentee ballots; requiring county auditors to provide a sample ballot for classroom use; specifying a time period for preparing a candidate's affidavit; providing penalties; appropriating money; amending Minnesota Statutes 1988, sections 10A.04, subdivision 2; 10A.20, subdivision 3; 10A.27, subdivision 4; 10A.275; 10A.31, subdivision 5, and by adding a subdivision; 10A.32, subdivision 3, and by adding subdivisions; 10A.33; 97A.485, by adding a subdivision; 204B.09, subdivision 1; 290.06, by adding a subdivision; and 383B.055, subdivisions 1 and 2; proposing coding for new law in Minnesota Statutes, chapters 10A and 204D; repealing Minnesota Statutes, section 211B.11, 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 121 yeas and 9 nays as follows:

Those who voted in the affirmative were:

Abrams	Forsythe	Kostohryz	Orenstein	Seaberg
Anderson, G.	Frederick	Krueger	Osthoff	Segal
Anderson, R.	Frerichs	Lieder	Ostrom	Skoglund
Battaglia	Girard	Limmer	Otis	Solberg
Bauerly	Greenfield	Long	Ozment	Sparby
Beard	Gruenes	Lynch	Pappas	Stanius
Begich	Gutknecht	Macklin	Pauly	Steenasma
Bennett	Hartle	Marsh	Pellow	Sviggum
Bertram	Hasskamp	McDonald	Pelowski	Swenson
Bishop	Haukoos	McEachern	Peterson	Tjornhom
Blatz	Heap	McGuire	Poppenhagen	Tompkins
Boo	Henry	McLaughlin	Price	Trimble
Brown	Himle	McPherson	Pugh	Tunheim
Burger	Hugoson	Milbert	Quinn	Uphus
Carlson, D.	Jaros	Miller	Redalen	Valento
Carlson, L.	Jefferson	Morrison	Reding	Vellenga
Carruthers	Johnson, A.	Munger	Rest	Wagenius
Clark	Johnson, R.	Nelson, C.	Rice	Waltman
Conway	Johnson, V.	Nelson, K.	Richter	Weaver
Cooper	Kahn	Ogren	Rodosovich	Welle
Dauner	Kalis	Olsen, S.	Runbeck	Wenzel
Dawkins	Kelly	Olsen, E.	Schafer	Williams
Dille	Kinkel	Omman	Scheid	Winter
Dorn	Knickerbocker	Onnen	Schreiber	Wynia
				Spk. Vanasek

Those who voted in the negative were:

Jacobs	Lasley	O'Connor	Rukavina	Simoneau
Janezich	Murphy	Olson, K.	Sarna	

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

CONSENT CALENDAR

Wynia moved that the bills on the Consent Calendar for today be continued. The motion prevailed.

SPECIAL ORDERS

Wynia moved that the bills on Special Orders for today be continued. The motion prevailed.

GENERAL ORDERS

Wynia moved that the bills on General Orders for today be continued. The motion prevailed.

MOTIONS AND RESOLUTIONS

Morrison moved that her name be stricken as an author on H. F. No. 1709. The motion prevailed.

Bishop moved that H. F. No. 1299 be returned to its author. The motion prevailed.

ADJOURNMENT

Wynia moved that when the House adjourns today it adjourn until 12:00 noon, Tuesday, May 16, 1989. The motion prevailed.

Wynia moved that the House adjourn. The motion prevailed, and the Speaker declared the House stands adjourned until 12:00 noon, Tuesday, May 16, 1989.

EDWARD A. BURDICK, Chief Clerk, House of Representatives

STATE OF MINNESOTA

SEVENTY-SIXTH SESSION—1989

FIFTY-THIRD DAY

SAINT PAUL, MINNESOTA, TUESDAY, MAY 16, 1989

The House of Representatives convened at 12:00 noon and was called to order by Robert E. Vanasek, Speaker of the House.

Prayer was offered by the Reverend Robert Rolfes, the Assistant Chancellor of the Diocese of St. Cloud, St. Cloud, Minnesota.

The roll was called and the following members were present:

Abrams	Frerichs	Krueger	Onnen	Simoneau
Anderson, G.	Girard	Lasley	Orenstein	Skoglund
Anderson, R.	Greenfield	Lieder	Osthoff	Solberg
Battaglia	Gruenes	Limmer	Ostrom	Sparby
Bauerly	Gutknecht	Long	Otis	Stanius
Beard	Hartle	Lynch	Ozment	Steensma
Begich	Hasskamp	Macklin	Pappas	Sviggum
Bennett	Haukoos	Marsh	Pauly	Swenson
Bertram	Heap	McDonald	Pellow	Tjornhom
Bishop	Henry	McEachern	Pelowski	Tompkins
Blatz	Himle	McGuire	Peterson	Trimble
Boo	Hugoson	McLaughlin	Poppenhagen	Tunheim
Brown	Jacobs	McPherson	Pugh	Uphus
Burger	Janezich	Milbert	Quinn	Valento
Carlson, D.	Jaros	Miller	Redalen	Vellenga
Carlson, L.	Jefferson	Morrison	Reding	Wagenius
Carruthers	Jennings	Munger	Rest	Waltman
Clark	Johnson, A.	Murphy	Rice	Weaver
Conway	Johnson, R.	Nelson, C.	Richter	Welle
Cooper	Johnson, V.	Nelson, K.	Rodosovich	Wenzel
Dauner	Kahn	Neuenschwander	Rukavina	Williams
Dawkins	Kalis	O'Connor	Runbeck	Winter
Dempsey	Kelly	Ogren	Sarna	Wynia
Dille	Kelso	Olsen, S.	Schafer	Spk. Vanasek
Dorn	Kinkel	Olsen, E.	Schreiber	
Forsythe	Knickerbocker	Olson, K.	Seaberg	
Frederick	Kostohryz	Omann	Segal	

A quorum was present.

Price was excused until 12:55 p.m. Scheid was excused until 1:35 p.m.

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

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

REPORTS OF CHIEF CLERK

Pursuant to Rules of the House, printed copies of H. F. Nos. 1023, 1709, 515, 1726, 42, 1146, 584, 661, 1203, 1418 and 629 and S. F. Nos. 277, 1101, 1323, 1541, 262, 536, 522, 150, 126 and 139 have been placed in the members' files.

S. F. No. 1101 and H. F. No. 1222, which had been referred to the Chief Clerk for comparison, were examined and found to be identical with certain exceptions.

SUSPENSION OF RULES

Janezich moved that the rules be so far suspended that S. F. No. 1101 be substituted for H. F. No. 1222 and that the House File be indefinitely postponed. The motion prevailed.

S. F. No. 1541 and H. F. No. 1449, which had been referred to the Chief Clerk for comparison, were examined and found to be identical with certain exceptions.

SUSPENSION OF RULES

Rest moved that the rules be so far suspended that S. F. No. 1541 be substituted for H. F. No. 1449 and that the House File be indefinitely postponed. The motion prevailed.

S. F. No. 522 and H. F. No. 535, which had been referred to the Chief Clerk for comparison, were examined and found to be identical with certain exceptions.

SUSPENSION OF RULES

O'Connor moved that the rules be so far suspended that S. F. No. 522 be substituted for H. F. No. 535 and that the House File be indefinitely postponed. The motion prevailed.

SECOND READING OF SENATE BILLS

S. F. Nos. 1101, 1541 and 522 were read for the second time.

SUSPENSION OF RULES

Pursuant to Article IV, Section 19, of the Constitution of the state of Minnesota, O'Connor moved that the rule therein be suspended and an urgency be declared so that S. F. No. 522 be given its third reading and be placed upon its final passage. The motion prevailed.

O'Connor moved that the Rules of the House be so far suspended that S. F. No. 522 be given its third reading and be placed upon its final passage. The motion prevailed.

O'Connor moved to amend S. F. No. 522, as follows:

Delete everything after the enacting clause and insert:

"ARTICLE 1

AFFORDABLE HOUSING PROGRAMS

Section 1. Minnesota Statutes 1988, section 462A.05, is amended by adding a subdivision to read:

Subd. 14c. [NEIGHBORHOOD PRESERVATION.] It may agree or enter commitments to purchase, make, or participate in making loans described in subdivision 14 for programs approved by the agency for the preservation of designated neighborhoods. To achieve the policy of economic integration stated in section 462A.02, subdivision 6, the programs may authorize loans to borrowers having ownership interests in properties in the neighborhood who are not eligible mortgagors as defined in section 462A.03, subdivision 13. The aggregate original principal balances of noneligible mortgagor loans in a neighborhood benefiting from financing under this subdivision must not exceed 25 percent of the total amount of neighborhood preservation loan funds allocated to the neighborhood under the program.

Sec. 2. Minnesota Statutes 1988, section 462A.05, subdivision 27, is amended to read:

Subd. 27. The agency, or the corporations referred to in subdivision 26, may acquire property or property interests under subdivisions 25 and 26 and section 462A.06, subdivision 7, for the following purposes: (1) to protect a loan or grant in which the agency or corporation has an interest; or (2) to preserve for the use of low- and moderate-income persons or families multifamily housing, previously financed by the agency, which was (a) previously financed by the agency, or (b) not financed by the agency but is benefited by federal housing assistance payments or other rental subsidy or interest reduction contracts. Property or property interests acquired

for the purpose specified in clause (1) may be acquired by foreclosure, deed in lieu of foreclosure, or otherwise.

Multifamily property acquired as provided in clause (2) must be managed on a fee basis by an entity other than the agency or corporation. The agency or corporation may manage the property on a temporary basis until an agreement is entered into with another entity to manage the property. The agency or corporation shall make the property available for sale at a purchase price and on terms that are mutually agreeable to the parties.

Sec. 3. Minnesota Statutes 1988, section 462A.05, is amended by adding a subdivision to read:

Subd. 30. [HOME EQUITY CONVERSION LOANS.] The agency may make or purchase home equity conversion loans for low- or moderate-income elderly homeowners. Loan recipients must be at least 62 years of age, have substantial equity in their home, and have an income at or below 50 percent of the area median income. The agency must inform program participants of available home equity conversion loan counseling services before making a loan.

Sec. 4. Minnesota Statutes 1988, section 462A.21, subdivision 4k, is amended to read:

Subd. 4k. [HOUSING DEVELOPMENT FUND.] The agency may make grants for residential housing for low-income persons under section 462A.05, subdivision 28, from funds specifically appropriated by the legislature for that purpose and may pay the costs and expenses for the development and operation of the program.

Sec. 5. Minnesota Statutes 1988, section 462A.21, is amended by adding a subdivision to read:

Subd. 8b. [FAMILY RENTAL HOUSING.] It may establish a family rental housing assistance program to provide loans or direct rental subsidies for housing for families with incomes of up to 60 percent of area median income. Priority must be given to those developments with resident families with the lowest income. The development may be financed by the agency or other public or private lenders. Direct rental subsidies must be administered by the agency for the benefit of eligible families. Financial assistance provided under this subdivision to recipients of aid to families with dependent children must be in the form of vendor payments whenever possible. Loans and direct rental subsidies under this subdivision may be made only with specific appropriations made for the purposes of this subdivision.

Sec. 6. Minnesota Statutes 1988, section 462A.21, is amended by adding a subdivision to read:

Subd. 8c. [RENTAL HOUSING FOR INDIVIDUALS.] It may establish a rental housing assistance program for persons of low-income or with a mental illness to provide loans or direct rental subsidies for housing for individuals with incomes of up to 25 percent of area median income. Priority must be given to developments with the lowest income residents. Housing for the mentally ill must be operated in coordination with social service providers who provide services to tenants. The developments may be financed by the agency or other public or private entities. Direct rental subsidies must be administered by the agency for the benefit of eligible tenants. Financial assistance under this subdivision must be in the form of vendor payment whenever possible. Loans and direct rental subsidies under this subdivision may be made only with specific appropriations made for the purposes of this subdivision.

Sec. 7. Minnesota Statutes 1988, section 462A.21, subdivision 12, is amended to read:

Subd. 12. [TEMPORARY HOUSING.] It may make loans or grants for the purpose of section 462A.05, subdivision 20, and may pay the costs and expenses necessary and incidental to the loan or grant program authorized therein. Grants pursuant to section 462A.05, subdivision 20 may be made only with specific appropriations by the legislature.

Sec. 8. Minnesota Statutes 1988, section 462A.21, is amended by adding a subdivision to read:

Subd. 12a. [PROGRAM MONEY TRANSFER.] Grants authorized under section 462A.05, subdivisions 20, 28, and 29, may be made only with specific appropriations by the legislature, but unencumbered balances of money appropriated for the purpose of loans or grants for agency programs under these subdivisions may be transferred between programs created by these subdivisions or in accordance with section 462A.20, subdivision 3.

ARTICLE 2

LANDLORD-TENANT PROVISIONS

Section 1. Minnesota Statutes 1988, section 463.21, is amended to read:

463.21 [ENFORCEMENT OF JUDGMENT.]

If a judgment is not complied with in the time prescribed, the governing body may cause the building to be repaired, razed, or removed or the hazardous condition to be removed or corrected as set forth in the judgment, or acquire the building and real estate on which the building or hazardous condition is located by eminent

domain as provided in section 463.152. The cost of ~~such~~ the repairs, razing, or removal ~~shall~~ may be a lien recovered by obtaining a judgment against the owner of the real estate on which the building is located or the hazardous condition exists and or may be enforced as a lien against the real estate on which the building is located or the hazardous condition exists. The lien may be levied and collected only as a special assessment in the manner provided by Minnesota Statutes 1961, sections 429.061 to 429.081, but the assessment shall be payable in a single installment. When the building is razed or removed by the municipality, the governing body may sell the salvage and valuable materials at public auction upon three days' posted notice.

Sec. 2. Minnesota Statutes 1988, section 504.255, is amended to read:

504.255 [UNLAWFUL OUSTER OR EXCLUSION; DAMAGES.]

If a landlord, an agent, or other person acting under the landlord's direction or control, unlawfully and in bad faith removes or, excludes, or forcibly keeps out a tenant from a residential premises, the tenant may recover from the landlord up to treble damages or \$500, whichever is greater, and reasonable attorney's fees.

Sec. 3. Minnesota Statutes 1988, section 504.26, is amended to read:

504.26 [UNLAWFUL TERMINATION OF UTILITIES.]

Except as otherwise provided in this ~~subdivision~~ section, if a landlord, an agent or other person acting under the landlord's direction or control, interrupts or causes the interruption of electricity, heat, gas, or water services to the tenant, the tenant may recover from the landlord treble damages or \$500, whichever is greater, and reasonable attorney's fees. It is a defense to any action brought under this ~~subdivision~~ section that the interruption was the result of the deliberate or negligent act or omission of a tenant or anyone acting under the direction or control of the tenant. The tenant may recover only actual damages under this ~~subdivision~~ section if:

(a) the tenant has not given the landlord, an agent or other person acting under the landlord's direction or control, notice of the interruption; or

(b) the landlord, an agent or other person acting under the landlord's direction or control, after receiving notice of the interruption from the tenant and within a reasonable period of time after the interruption, taking into account the nature of the service interrupted and the effect of the interrupted service on the health, welfare and safety of the tenants, has reinstated or made a good

faith effort to reinstate the service or has taken other remedial action; or

(c) the interruption was for the purpose of repairing or correcting faulty or defective equipment or protecting the health and safety of the occupants of the premises involved and the service was reinstated or a good faith effort was made to reinstate the service or other remedial action was taken by the landlord, an agent, or other person acting under the landlord's direction or control within a reasonable period of time, taking into account the nature of the defect, the nature of the service interrupted and the effect of the interrupted service on the health, welfare and safety of the tenants.

Sec. 4. [504.29] [DEFINITIONS.]

Subdivision 1. [APPLICABILITY.] The definitions in this section apply to sections 4 to 6.

Subd. 2. [OWNER.] "Owner" has the meaning given it in section 566.18, subdivision 3.

Subd. 3. [TENANT.] "Tenant" has the meaning given it in section 566.18, subdivision 2.

Subd. 4. [TENANT REPORT.] "Tenant report" means a written, oral, or other communication by a tenant screening service that includes information concerning an individual's credit worthiness, credit standing, credit capacity, character, general reputation, personal characteristics, or mode of living, and that is collected, used, or expected to be used for the purpose of making decisions relating to residential tenancies or residential tenancy applications.

Subd. 5. [TENANT SCREENING SERVICE.] "Tenant screening service" means a person or business regularly engaged in the practice of gathering, storing, or disseminating information about tenants or assembling tenant reports for monetary fees, dues, or on a cooperative nonprofit basis.

Sec. 5. [504.30] [TENANT REPORTS; DISCLOSURE AND CORRECTIONS.]

Subdivision 1. [DISCLOSURES REQUIRED.] Upon request and proper identification, a tenant screening service must disclose the following information to an individual:

(1) the nature and substance of all information in its files on the individual at the time of the request; and

(2) the sources of the information.

A tenant screening service shall make the disclosures to an individual without charge if information in a tenant report has been used within the past 30 days to deny a rental or increase the security deposit or rent of a residential housing unit to the individual. If the tenant report has not been used to deny the rent or increase the rent or security deposit of a residential housing unit within the past 30 days, the tenant screening service may impose a reasonable charge for making the disclosure required under this section. The charge shall be indicated to the individual prior to furnishing the information and shall not exceed the charge that the tenant screening service would impose on each designated recipient for a tenant report, except that no charge may be made for notifying such persons of the deletion of information which is found to be inaccurate or which can no longer be verified.

Subd. 2. [CORRECTIONS.] If the completeness or accuracy of an item of information contained in an individual's file is disputed by the individual, the tenant screening service shall reinvestigate and record the current status of the information. If the information is found to be inaccurate or can no longer be verified, the tenant screening service shall delete the information from the individual's file and tenant report. At the request of the individual, the tenant screening service shall give notification of the deletions to persons who have received the tenant report within the past six months.

Subd. 3. [EXPLANATIONS.] The tenant screening service shall permit an individual to explain any disputed item in a tenant report not resolved by a reinvestigation. The explanation must be included in the tenant report. The tenant screening service may limit the explanation to no more than 100 words.

Subd. 4. [COURT FILE INFORMATION.] If a tenant screening service includes information from a court file on an individual in a tenant report, the outcome of the court proceeding must be accurately recorded in the tenant report, unless the outcome is not provided by the court. Whenever the court supplies information from a court file on an individual, in whatever form, the court shall include information on the outcome of the court proceeding when it is available. The tenant screening service is not liable under section 6 with respect to court file information if the tenant screening service reports complete and accurate information as provided by the court.

Subd. 5. [INFORMATION TO TENANT.] If the owner uses information in a tenant report to deny the rental or increase the security deposit or rent of a residential housing unit, the owner shall inform the prospective tenant of the name and address of the tenant screening service that provided the tenant report.

The remedies provided in section 8.31 apply to a violation of section 5. A tenant screening service or owner in compliance with the provisions of the Fair Credit Reporting Act, United States Code, title 15, section 1681, et. seq., is considered to be in compliance with section 5.

Sec. 7. [504.32] [NOTICE REQUIREMENT.]

Subdivision 1. [DEFINITIONS.] The definitions of "owner" and "tenant" in section 566.18 apply to this section.

Subd. 2. [NOTICE.] The owner of federally subsidized rental housing shall give tenants a one-year written notice under the following conditions:

- (1) a federal Section 8 contract will expire;
- (2) the owner will exercise the option to terminate or not renew a federal Section 8 contract and mortgage;
- (3) the owner will prepay a mortgage and the prepayment will result in the termination of any federal use restrictions that apply to the housing; or
- (4) the owner will terminate a housing subsidy program.

The notice shall be provided at the commencement of the lease if the lease commences less than one year before any of the above conditions apply.

Sec. 8. Minnesota Statutes 1988, section 566.29, subdivision 1, is amended to read:

Subdivision 1. [ADMINISTRATOR.] The administrator may be any a person, other than an owner of the building, local government unit or agency, the inspector, the complaining tenant or any person living in the complaining tenant's dwelling unit. If a state, or court, or local agency is authorized by statute, ordinance or regulation to provide persons to act as administrators under this section, the court may appoint such persons as administrators to the extent they are available.

Sec. 9. Minnesota Statutes 1988, section 566.29, subdivision 4, is amended to read:

Subd. 4. [POWERS.] The administrator shall be empowered is authorized to:

- (a) Collect rents from tenants and commercial tenants, evict tenants and commercial tenants for nonpayment of rent or other

cause, rent vacant dwelling units on a month to month basis, rent vacant commercial units with the consent of the owner and exercise all other powers necessary and appropriate to carry out the purposes of Laws 1973, chapter 611;

(b) Contract for the reasonable cost of materials, labor and services necessary to remedy the violation or violations found by the court to exist and for the rehabilitation of the property in order to maintain safe and habitable conditions over the useful life of the property, and make disbursements for payment therefor from funds available for the purpose;

(c) Provide any services to the tenants which the owner is obligated to provide but refuses or fails to provide, and pay for them from funds available for the purpose;

(d) Petition the court, after notice to the parties, for an order allowing the administrator to encumber the premise to secure funds to the extent necessary to cover the cost of materials, labor, and services necessary to remedy the violation or violations found by the court to exist and for rehabilitation of the property in order to maintain safe and habitable conditions over the useful life of the property, and to pay for them from funds derived from the encumbrance; and

(e) Petition the court, after notice to the parties, for an order allowing the administrator to receive funds made available for this purpose by the municipality to the extent necessary to cover the cost of materials, labor, and services necessary to remedy the violation or violations found by the court to exist and for rehabilitation of the property in order to maintain safe and habitable conditions over the useful life of the property, and pay for them from funds derived from the municipal sources. The municipality shall recover disbursements by special assessment on the real estate affected, bearing interest at the rate determined by the municipality, not exceeding the rate established for finance charges for open-end credit sales under section 334.16, subdivision 1, clause (b), with the assessment, interest and any penalties to be collected the same as special assessments made for other purposes under state statute or municipal charter.

Sec. 10. Minnesota Statutes 1988, section 566.29, is amended by adding a subdivision to read:

Subd. 6. [BUILDING REPAIRS AND SERVICES.] The administrator must first contract and pay for building repairs and services necessary to keep the building habitable before other expenses may be paid. If sufficient funds are not available for paying other expenses, such as tax and mortgage payments, after paying for necessary repairs and services, the owner is responsible for the other expenses.

Sec. 11. Minnesota Statutes 1988, section 566.29, is amended by adding a subdivision to read:

Subd. 7. [FACTORS FOR THE COURT TO CONSIDER.] In considering whether to grant the administrator funds under subdivision 4, the court shall consider factors relating to the long-term economic viability of the dwelling. Such an analysis must consider factors including, but not limited to, the causes leading to the appointment of an administrator, the repairs necessary to bring the property into code compliance, the market value of the property, and whether present and future rents will be sufficient to cover the cost of repairs or rehabilitation.

Sec. 12. Minnesota Statutes 1988, section 566.29, is amended by adding a subdivision to read:

Subd. 8. [ADMINISTRATOR'S LIABILITY.] The administrator may not be held personally liable in the performance of duties under this section except for fraud, gross negligence, misfeasance, malfeasance, or nonfeasance of office.

Sec. 13. [566.291] [RECEIVERSHIP REVOLVING LOAN FUND.]

The Minnesota housing finance agency may establish a revolving loan fund to pay the administrative expenses of receivership administrators under section 566.29 for properties for occupancy by low- and moderate-income persons or families. Property owners are responsible for repaying administrative expense payments made from the fund.

Sec. 14. Minnesota Statutes 1988, section 580.04, is amended to read:

580.04 [REQUISITES OF NOTICE.]

Each notice shall specify:

(1) The name of the mortgagor and of the mortgagee, and of the assignee of the mortgage, if any, and the original principal amount secured by said mortgage;

(2) The date of the mortgage, and when and where recorded, except where the mortgage is upon registered land, in which case the notice shall state that fact, and when and where registered;

(3) The amount claimed to be due thereon, and taxes, if any, paid by the mortgagee at the date of the notice;

(4) A description of the mortgaged premises, conforming substantially to that contained in the mortgage;

(5) The time and place of sale; and

(6) The time allowed by law for redemption by the mortgagor, the mortgagor's personal representatives or assigns; and

(7) If the party foreclosing the mortgage desires to preserve its right to reduce the redemption period based on a judicial order issued under section 16 after the first publication of the notice, the notice must also state in capital letters: "THE TIME ALLOWED BY LAW FOR REDEMPTION BY THE MORTGAGOR, THE MORTGAGOR'S PERSONAL REPRESENTATIVES OR ASSIGNS, MAY BE REDUCED TO FIVE WEEKS IF, BEFORE THE FORECLOSURE SALE, THE PARTY FORECLOSING THE MORTGAGE OBTAINS A JUDICIAL ORDER ISSUED UNDER MINNESOTA STATUTES, SECTION 580.231, DETERMINING THAT THE MORTGAGED PREMISES ARE IMPROVED WITH A RESIDENTIAL DWELLING OF LESS THAN FIVE UNITS, ARE NOT PROPERTY USED IN AGRICULTURAL PRODUCTION WITHIN THE MEANING OF LAWS 1986, CHAPTER 398, SECTION 5, AND ARE ABANDONED."

Sec. 15. Minnesota Statutes 1988, section 580.12, is amended to read:

580.12 [CERTIFICATE OF SALE; RECORD; EFFECT.]

When any sale of real property is made under a power of sale contained in any mortgage, the officer shall make and deliver to the purchaser a certificate, executed in the same manner as a conveyance, containing:

(1) A description of the mortgage;

(2) A description of the property sold;

(3) The price paid for each parcel sold;

(4) The time and place of the sale, and the name of the purchaser; and

(5) The time allowed by law for redemption. The, provided that if the redemption period stated in the certificate is five weeks and a longer redemption period was stated in the published notice of foreclosure sale, the certificate must also contain a certified copy of the court order, issued under section 16, authorizing reduction of the redemption period to five weeks.

A certificate which states a five-week redemption period must be recorded within ten days after the sale; any other certificate shall must be recorded within 20 days after such the sale, and. When so

recorded, upon expiration of the time for redemption, shall operate as a conveyance to the purchaser or the purchaser's assignee of all the right, title, and interest of the mortgagor in and to the premises named therein at the date of such mortgage, without any other conveyance.

Sec. 16. [580.231] [FIVE-WEEK REDEMPTION PERIOD FOR CERTAIN ABANDONED PROPERTIES.]

Subdivision 1. [APPLICATION.] This section applies to mortgages executed after December 31, 1989, for which there has been a monetary default existing for at least 60 days as of the date of the filing of the complaint provided for in subdivision 3. This section does not apply to mortgages where the mortgaged premises exceed ten acres in size, or are improved with a model home or a dwelling in the process of construction. This section may be applied to a foreclosure by action conducted under chapter 581 and to a foreclosure by advertisement conducted under this chapter.

Subd. 2. [BEFORE FORECLOSURE SALE.] Notwithstanding section 580.23 or 581.10, if the party foreclosing a mortgage, at any time before the foreclosure sale but not more than 30 days before the first publication of the notice of sale, obtains a court order which reduces the mortgagor's redemption period to five weeks under subdivision 6, after the mortgaged premises have been sold as provided in this chapter, the mortgagor, and the mortgagor's personal representatives or assigns, within five weeks after the sale, may redeem the mortgaged premises as provided in section 580.23, subdivision 1. If an order is obtained after the first publication of the notice of sale, the five-week redemption period applies only if the notice of sale contained the statement required by section 580.04, clause (7).

Subd. 3. [AFTER FORECLOSURE SALE.] If the holder of a sheriff's certificate of sale, at any time after the foreclosure sale, obtains a court order which reduces the mortgagor's redemption period to five weeks under subdivision 6, the period during which the mortgagor, the mortgagor's personal representatives and assigns, may redeem the mortgaged premises in accordance with the provisions of section 580.23, subdivision 1, is reduced to five weeks from the date the order is entered. Within ten days after the order is entered, a certified copy of the order must be filed with the office of the recorder or registrar of titles for the county in which the mortgaged premises are located, and a copy of the order must be personally served upon, or sent by certified mail to, all parties holding liens of record at the time of the foreclosure sale which were junior to the lien of the foreclosed mortgage. Affidavits of service and mailing to evidence the same is prima facie evidence of the facts stated therein and is entitled to recordation along with the certified copy of the order.

Subd. 4. [SUMMONS AND COMPLAINT.] The party foreclosing a mortgage or holding a sheriff's certificate of sale may initiate a proceeding in district court to have the mortgagor's redemption period reduced under this section. The proceeding must be initiated by the filing of a complaint, naming the mortgagor, or the mortgagor's personal representatives or assigns of record, as defendant, in district court for the county in which the mortgaged premises are located. The complaint must identify the mortgaged premises by legal description and must identify the mortgage by: (1) the names of the mortgagor and mortgagee, and any assignee of the mortgagee; (2) the date of its making; and (3) pertinent recording information. The complaint must allege that the mortgaged premises are:

(1) comprised of ten acres or less;

(2) improved with a residential dwelling consisting of less than five units, which is not a model home or a dwelling under construction;

(3) not property used in agricultural production within the meaning of Laws 1986, chapter 398, section 5; and

(4) abandoned.

The complaint must request an order reducing the mortgagor's redemption period to five weeks. When the complaint has been filed, the court shall issue a summons commanding the person or persons named in the complaint to appear before the court on a day and at a place stated in the summons. The appearance day shall be not less than 15 nor more than 25 days from the day of the issuing of the summons. A copy of the filed complaint must be attached to the summons.

Subd. 5. [SERVICE.] The summons may be served by any person not named a party to the action. The summons must be served at least seven days before the appearance day, in the manner provided for service of a summons in a civil action in the district court. If the defendant cannot be found in the county, the summons may be served by sending a copy by certified mail to the defendant's last usual place of abode known to the plaintiff, if any, at least ten days before the appearance day. The summons must be posted in a conspicuous place on the mortgaged premises not less than seven days before the appearance day. If personal or certified mail service cannot be made on the defendant, or the defendant's last usual place of abode is unknown to the plaintiff, then the plaintiff or plaintiff's attorney may file an affidavit to that effect with the court and service by posting the summons on the mortgaged premises is sufficient.

Subd. 6. [HEARING; EVIDENCE; ORDER.] At the hearing on the summons and complaint, the court shall enter an order reducing the

mortgagor's redemption period as provided in subdivision 1 or 2, as applicable, if evidence is presented supporting the allegations in the complaint and no appearance is made to oppose the relief sought. An affidavit by the sheriff or a deputy sheriff of the county in which the mortgaged premises are located, or of a building inspector, zoning administrator, housing official, or other municipal or county official having jurisdiction over the mortgaged premises, stating that the mortgaged premises are not actually occupied and further setting forth any of the following supporting facts, is prima facie evidence of abandonment:

(1) windows or entrances to the premises are boarded up or closed off, or multiple window panes are broken and unrepaired;

(2) doors to the premises are smashed through, broken off, unhinged, or continuously unlocked;

(3) gas, electric, or water service to the premises has been terminated;

(4) rubbish, trash, or debris has accumulated on the mortgaged premises;

(5) the police or sheriff's office has received at least two reports of trespassers on the premises, or of vandalism or other illegal acts being committed on the premises; or

(6) the premises are deteriorating and are either below or are in imminent danger of falling below minimum community standards for public safety and sanitation.

An affidavit of the party foreclosing the mortgage or holding the sheriff's certificate, or one of their agents or contractors, stating any of the above supporting facts, and that the affiant has changed locks on the premises under this section and that for a period of ten days no party having a legal possessory right has requested entrance to the premises, is also prima facie evidence of abandonment. Either affidavit described above, or an affidavit from any other person having knowledge, may state facts supporting any other allegations in the complaint and is prima facie evidence of the same. Written statements of the mortgagor, the mortgagor's personal representatives or assigns, including documents of conveyance, which indicate a clear intent to abandon the premises, is conclusive evidence of abandonment. In the absence of affidavits or written statements, or if rebuttal evidence is offered by the defendant or a party lawfully claiming through the defendant, the court may consider any competent evidence, including oral testimony, concerning any allegation in the complaint. An order entered under this section must contain a legal description of the mortgaged premises.

Subd. 7. [RECORDING.] A certified copy of an order entered under this section may be recorded in the office of the county recorder or registrar of titles for the county in which the mortgaged premises are located, provided that the order contains a legal description of the mortgaged premises.

Sec. 17. Minnesota Statutes 1988, section 581.10, is amended to read:

581.10 [REDEMPTION BY MORTGAGOR, CREDITOR.]

The mortgagor, or those claiming under the mortgagor, within the time specified in section 580.23 or section 16, whichever applies, after the date of the order of confirmation, may redeem the premises sold, or any separate portion thereof, by paying the amount bid therefor, with interest thereon from the time of sale at the rate provided to be paid on the mortgage debt, not to exceed eight percent per annum, and, if no rate to be provided in the mortgage, at the rate of six percent, together with any further sum which may be payable pursuant to section 582.03. Creditors having a lien may redeem in the order and manner specified in section 580.24, but no creditor shall be entitled to redeem unless within such specified redemption period the creditor files with the court administrator notice of intention to redeem.

Sec. 18. Minnesota Statutes 1988, section 582.03, is amended to read:

582.03 [PURCHASER AT FORECLOSURE, EXECUTION, OR JUDICIAL SALE MAY PAY TAXES, ASSESSMENTS, INSURANCE PREMIUMS, OR INTEREST.]

The purchaser at any sale, upon foreclosure of mortgage or execution or at any judicial sale during the year period of redemption, may pay any taxes or assessments on which any penalty would otherwise accrue, and may pay the premium upon any policy of insurance procured in renewal of any expiring policy upon mortgaged premises, may pay any costs incurred under section 582.031, and may, in case any interest or installment of principal upon any prior or superior mortgage, lien, or contract for deed is in default or shall become due during such year the period of redemption, pay the same, and, in all such cases, the sum so paid, with interest, shall be a part of the sum required to be paid to redeem from such sale. Such payments shall be proved by the affidavit of the purchaser or the purchaser's agent or attorney, stating the items and describing the premises, which must be filed for record with the county recorder or registrar of titles, and a copy thereof shall be furnished to the sheriff at least ten days before the expiration of the year period of redemption.

Sec. 19. [582.031] [LIMITED RIGHT OF ENTRY BY MORTGAGEE OR PURCHASER AT FORECLOSURE SALE.]

Subdivision 1. [RIGHT OF ENTRY.] If premises described in a mortgage or sheriff's certificate are vacant or unoccupied, the holder of the mortgage or sheriff's certificate or the holder's agents and contractors may enter upon the premises to protect the premises from waste, until the holder of the mortgage or sheriff's certificate receives notice that the premises are occupied. The holder of the mortgage or sheriff's certificate does not become a mortgagee in possession by taking actions authorized under this section. An affidavit of the sheriff, the holder of the mortgage or sheriff's certificate, or a person acting on behalf of the holder, describing the premises and stating that the same are vacant or unoccupied, is prima facie evidence of the facts stated in the affidavit when recorded in the office of the county recorder or the registrar of titles in the county where the premises are located.

Subd. 2. [AUTHORIZED ACTIONS.] The holder of the mortgage or sheriff's certificate may take the following actions to protect the premises from waste: install or change locks on doors and windows, board windows, and otherwise prevent or minimize damage to the premises from the elements, vandalism, trespass; or other illegal activities. If the holder of the mortgage or sheriff's certificate installs or changes locks under this section, a key to the premises must be promptly delivered to the mortgagor or any person lawfully claiming through the mortgagor, upon request.

Subd. 3. [COSTS.] All costs incurred by the holder of the mortgage to protect the premises from waste may be added to the principal balance of the mortgage. The costs may bear interest to the extent provided in the mortgage and may be added to the redemption price if the costs are incurred after a foreclosure sale. If the costs are incurred after a foreclosure sale, the purchaser at the foreclosure sale must comply with the provisions of section 582.03. The provisions of this section are in addition to, and do not limit or replace, any other rights or remedies available to holders of mortgages and sheriff's certificates, at law or under the applicable mortgage agreements.

Sec. 20. Minnesota Statutes 1988, section 582.30, subdivision 2, is amended to read:

Subd. 2. [GENERAL PROHIBITION FOR PROPERTY WITH A SIX-MONTH OR FIVE-WEEK REDEMPTION PERIOD.] A deficiency judgment is not allowed if a mortgage is foreclosed by advertisement under chapter 580, and has a redemption period of six months under section 580.23, subdivision 1 or five weeks under section 580.231.

Sec. 21. [566.35] [ESCROW OF RENT TO REMEDY VIOLATIONS.]

Subdivision 1. [DEFINITIONS.] The definitions in section 566.18, apply to this section.

Subd. 2. [ESCROW OF RENT.] If a violation exists in a building, a tenant may deposit the full amount of rent due to the owner with the court administrator using the following procedure:

(a) For a violation of section 566.18, subdivision 6, paragraph (a), the tenant may deposit with the court administrator the rent due to the owner along with a copy of the written notice of code violation provided in section 566.19, subdivision 2. The tenant may not deposit the rent or file the written notice of code violation until the time granted to make repairs has expired without satisfactory repairs being accomplished, unless the tenant alleges that the time granted is excessive.

(b) For a violation of section 566.18, subdivision 6, paragraph (b) or (c), the tenant shall give written notice to the owner specifying the violation. The notice must be delivered personally or sent to the person or place where rent is normally paid. If the violation is not corrected within 14 days, the tenant may deposit the amount of rent due to the owner with the court administrator along with an affidavit specifying the violation. The court shall provide a simplified form affidavit for use under this paragraph.

As long as proceedings are pending under this section, the tenant shall pay rent to the owner or as directed by the court and may not withhold rent in order to remedy a violation.

Subd. 3. [COUNTERCLAIM FOR POSSESSION.] The owner may file a counterclaim for possession of the premises in cases where the owner alleges that the tenant did not deposit the full amount of rent with the court administrator. The court must set the date for a hearing on the counterclaim not less than seven nor more than 14 days from the day of filing the counterclaim. If the rent escrow hearing and the hearing on the counterclaim for possession cannot be heard on the same day, the matters must be consolidated and heard on the date scheduled for the hearing on the counterclaim. The contents of the counterclaim for possession must meet the requirements for a complaint in unlawful detainer under section 566.05. The owner must serve the counterclaim as provided in section 566.06, except that the affidavits of service or mailing may be brought to the hearing rather than filed with the court before the hearing. The court shall provide a simplified form for use under this section.

Subd. 4. [DEFENSES.] The defenses provided in section 566.23 are defenses to an action brought under this section.

Subd. 5. [FILING FEE.] The court administrator may charge a filing fee in the amount set for complaints and counterclaims in conciliation court subject to the filing of an inability to pay affidavit.

Subd. 6. [NOTICE OF HEARING.] A hearing must be held within ten to 14 days of the day a tenant deposits rent with the court administrator. If the cost of remedying the violation, as estimated by the tenant, is within the jurisdictional limit for conciliation court, the court administrator shall notify the owner and the tenant of the time and place of the hearing by first class mail. The tenant shall provide the court administrator with the owner's name and address. If the owner has disclosed a post office box as the owner's address under section 504.22, then notice of the hearing may be mailed to the post office box. If the cost of remedying the violation, as estimated by the tenant, is above the jurisdictional limit for conciliation court, the tenant shall serve the notice of hearing according to the rules of civil procedure. The notice of hearing must specify the amount the tenant has deposited with the court administrator and must inform the owner that possession of the premises will not be an issue at the hearing unless the owner files a counter claim for possession or an action under sections 566.01 to 566.17.

Subd. 7. [RELEASE OF RENT PRIOR TO HEARING.] If the tenant gives written notice to the court administrator that the code violation has been remedied, the court administrator shall release the rent to the owner and, unless the hearing has been consolidated with another action pending in housing court, shall cancel the hearing. If the tenant and the owner enter into a written agreement signed by both parties apportioning the rent between them, the court administrator shall release the rent in accordance with the written agreement and cancel the hearing.

Subd. 8. [CONSOLIDATION WITH UNLAWFUL DETAINER.] Actions under this section and actions in unlawful detainer brought under sections 566.01 to 566.17 that involve the same parties must be consolidated and heard on the date scheduled for the unlawful detainer.

Subd. 9. [HEARING.] The hearing shall be conducted by a court without a jury. A certified copy of an inspection report meets the requirements of Rule 803(8) of the Rules of Evidence as an exception to the rule against hearsay, and meets the requirements of Rules 901 and 902 of the Rules of Evidence as to authentication.

Subd. 10. [JUDGMENT.] (a) Upon finding that a violation exists, the court may, in its discretion, do any or all of the following:

(1) order relief as provided in section 566.25, paragraph (a), (b), (d), or (e), including retroactive rent abatement;

(2) order that all or a portion of the rent in escrow be released for the purpose of remedying the violation;

(3) order that rent be deposited with the court as it becomes due to the owner or abate future rent until the owner remedies the violation; or

(4) impose fines as required in section 22.

(b) When a proceeding under this section has been consolidated with a counterclaim for possession or an action in unlawful detainer under sections 566.01 to 566.17, and the owner prevails, the tenant may redeem the tenancy as provided in section 504.02.

(c) When a proceeding under this section has been consolidated with a counterclaim for possession or an action under an unlawful detainer under sections 566.01 to 566.17 on the grounds of nonpayment, the court may not require the tenant to pay the owner's filing fee as a condition of retaining possession of the premises when the tenant has deposited with the court the full amount of money found by the court to be owing the owner.

Subd. 11. [RELEASE OF RENT AFTER HEARING.] Upon finding, after a hearing on the matter has been held, that no violation exists in the building, or that the tenant did not deposit the full amount of rent due with the court administrator, the court shall order the immediate release of the rent to the owner. Upon finding that a violation existed but was remedied between the commencement of the action and the hearing, the court may order rent abatement and shall release the rent to the parties accordingly. Any rent found owing the tenant must be released to the tenant.

Subd. 12. [RETALIATION; WAIVER; RIGHTS AS ADDITIONAL.] The provisions of section 566.28 apply to proceedings under this section. The tenant rights under this section may not be waived or modified and are in addition to and do not limit other rights or remedies which may be available to the tenant and owner, except as provided in subdivision 2.

Sec. 22. [566.36] [VIOLATIONS OF BUILDING REPAIR ORDERS.]

Subdivision 1. [DEFINITIONS.] The definitions in section 566.18, apply to subdivision 2.

Subd. 2. [NONCOMPLIANCE; FINES.] Upon finding an owner has failed to comply with a court order for building repairs, the court shall fine the owner according to the following schedule:

(1) \$250 for the first violation of a court order;

(2) \$500 for the second violation of the same court order; and

(3) \$750 for the third and subsequent violations of the same court order.

The court must find that there has been a willful disregard of a court order before a fine may be imposed. An owner fined twice in a period of three years for failure to comply with a court order for repairs on any building owned is guilty of a gross misdemeanor for a third or subsequent violation and may be sentenced accordingly.

Subd. 3. [FINES COLLECTED.] Fines collected under this section must be paid to the state treasurer, deposited in the general fund, and credited to the general fund.

ARTICLE 3

YOUTH EMPLOYMENT AND HOUSING PROGRAM

Section 1. Minnesota Statutes 1988, section 268.361, subdivision 4, is amended to read:

Subd. 4. [ELIGIBLE ORGANIZATION.] "Eligible organization" means a public agency or a nonprofit organization that can demonstrate an ability to design implement a program for education and training services provided to targeted youth. Eligible organizations may include local jurisdictions, public school districts, private non-sectarian schools, post-secondary educational institutes, alternative schools, community groups, and labor organizations.

Sec. 2. Minnesota Statutes 1988, section 268.361, is amended by adding a subdivision to read:

Subd. 4a. [PROGRAM.] "Program" means the services and activities performed or contracted for by an eligible organization for which a grant has been received or for which a grant application has been submitted to the commissioner.

Sec. 3. Minnesota Statutes 1988, section 268.362, is amended to read:

268.362 [PLANNING GRANTS.]

The commissioner shall make grants of up to \$20,000 to eligible organizations for the design of programs to provide education and training services to targeted youth. The purpose of these programs is to provide specialized training and work experience to at-risk targeted youth who have not been served effectively by the current educational system. The programs are to be designed to include a work experience component with work projects that result in the

rehabilitation or construction of residential units for the homeless. Two or more eligible organizations may jointly apply for a planning grant. The commissioner shall administer the grant program.

Interested eligible organizations must apply to the commissioner for the grants. The advisory committee must review the applications and provide to the commissioner a list of recommended eligible organizations that the advisory committee determines meet the requirements for receiving a planning grant. The commissioner shall select from the committee's list at least four organizations to receive the planning grants with at least one organization located in each of the cities of Minneapolis and St. Paul and two organizations located outside the metropolitan area defined in section 473.121, subdivision 2.

Sec. 4. Minnesota Statutes 1988, section 268.364, is amended to read:

268.364 [PROGRAM PURPOSE AND DESIGN.]

Subdivision 1. [PROGRAM PURPOSE.] The grants awarded under section 268.362 are for the design of a youth employment and training program directed at targeted youth who are likely to be at risk of not completing their high school education. Each program design must include education, work experience, and job skills components.

Subd. 2. [EDUCATION COMPONENT.] A program design must contain an education component that requires program participants who have not completed to complete their secondary education to be enrolled in a traditional public or private secondary school, a suitable alternative school setting, or a GED program. Program participants must be working toward the completion of their secondary education or literacy advancement.

Subd. 3. [WORK EXPERIENCE COMPONENT.] A work experience component must be included in each program design. The work experience component must provide vocational skills training in an industry where there is a viable expectation of job opportunities and a training subsidy or stipend may be provided to program participants. The wage or stipend must be provided to participants who are recipients of public assistance in a manner or amount which will not reduce public assistance benefits. The work experience component must be designed so that work projects result in the expansion or improvement of residential units for homeless persons and very low income families, and must include direct supervision by individuals skilled in each specific vocation. The program design must include an examination of how Program participants may earn credits toward the completion of their secondary education from their participation in the work experience component.

Subd. 4. [JOB READINESS SKILLS COMPONENT.] A job readiness skills component must be included in each program design. The component must provide program participants with job search skills, placement assistance, and other job readiness skills to ensure that participants will be able to compete in the employment market.

Subd. 5. [ELIGIBLE PROGRAM PROVIDERS.] A program design must include the examination of the types of organizations that would administer and operate the program. The types of organizations examined must include public school districts, private nonsectarian schools, alternative schools, local jurisdictions, housing related groups, community groups, and labor organizations, or a joint effort among two or more of these organizations.

Sec. 5. Minnesota Statutes 1988, section 268.365, is amended to read:

268.365 [HOUSING FOR HOMELESS.]

Subdivision 1. [WORK PROJECT REQUIREMENT.] The work experience component of the youth employment and training program described in section 268.364 must include work projects that provide residential units through construction or, rehabilitation, or improvement for the homeless and families with very low incomes.

Subd. 2. [PRIORITY FOR HOUSING.] Any residential units that become available through the employment and training program must be allocated in the following order:

- (1) homeless families with at least one dependent;
- (2) other homeless individuals;
- (3) other very low income families and individuals; and
- (4) families or individuals that receive public assistance and that do not qualify in any other priority group.

Subd. 3. [ACQUISITION OF HOUSING UNITS.] The program design must include an examination of the means of acquiring eligible organization receiving a grant under section 268.362 shall acquire property or buildings for the construction or rehabilitation of residential units at the lowest possible cost. The examination must include the review of Possible sources of property and funding through federal, state, or local agencies, including include the federal Department of Housing and Urban Development, Farmers Home Administration, Minnesota housing finance agency, and the local housing authority.

Subd. 4. [MANAGEMENT OF RESIDENTIAL UNITS.] The pro-

gram design must address how to manage these residential units, including the source of financing for the maintenance costs of the buildings. Any management plan must include the participation of the residents and local established neighborhood groups.

Sec. 6. Minnesota Statutes 1988, section 268.366, is amended to read:

268.366 [REQUIREMENTS OF ORGANIZATIONS RECEIVING GRANTS.]

An organization that is awarded a planning grant under section 268.362 shall prepare and submit a an annual report to the commissioner by January 15, 1989 September 1 of each year. The report must address each include a discussion of the following:

(1) the method process used for encouraging the participation of the targeted youth in the geographic area surrounding the organization receiving the grant;

(2) the support services and social services that targeted youth require and the means of providing those services to program participants received under the program. Services may include client needs assessment, preemployment skills such as basic job skills and behavior, and intermediate needs such as education and chemical dependency treatment;

(3) the type and degree of work experience that program participants must participate in received, including real work experience in both vocational and nonvocational settings;

(4) the amount of training subsidy or stipend that each participant should receive received while participating in the work experience component. The subsidy or stipend must reflect prevailing wage and benefits standards appropriate for preapprenticeship training unless a participant's receipt of public assistance is affected. The subsidy or stipend should be structured to include incentives for progress toward increasing job skills and completing secondary education;

(5) the identification and means of providing the necessary job readiness skills so that to program participants who have completed the work experience and educational components of the program may have so they have the ability to compete in the job market. These job search skills may include skills assessment, job search and selection, application preparation and assistance in preparing for job interviews;

(6) the methods that may be used to assist in placing program participants in suitable employment. The methods should include means of involving state government, businesses, labor organiza-

tions, community groups, and local jurisdictions in assisting in the placement;

(7) a ~~plan~~ the process used for evaluating the program, including the necessary data elements ~~that must~~ be collected from program participants after they have completed the program to ~~monitor~~ for monitoring the success of the program;

(8) the method used to maximize parental involvement in the program;

(9) the ~~identification~~ of existing public and private programs that ~~may be~~ were utilized by the program to avoid duplication of services;

(10) the ~~identification~~ of regional characteristics that ~~may affect~~ affected the operation of the program in the specific region where the organization is located;

(11) the ~~identification~~ and means of addressing the special needs of priority groups of targeted youth, ~~which groups may include~~ including:

(i) persons who are responsible for at least one dependent;

(ii) persons who are pregnant;

(iii) persons who are or have been subject to any stage of the criminal justice system and who may benefit from receiving employment and training services in overcoming barriers to employment resulting from a record of arrest or conviction;

(iv) persons receiving income maintenance services and social services, including chemical dependency treatment, vocational rehabilitation services, and protection services;

(v) persons who reside on a farm who personally derive or whose family derives a substantial portion of their income from farming, lack nonfarm work skills, or have limited access to vocational education or work experience opportunities;

(vi) homeless youth; and

(vii) minors who that are not financially dependent on a parent or a guardian;

(12) ~~cost~~ estimates costs for each of the components of the program; and

(13) the identification of the funding sources other than state appropriations that ~~may be~~ were used to support the program.

Sec. 7. Minnesota Statutes 1988, section 268.367, is amended to read:

268.367 [REPORT.]

The commissioner shall prepare and submit an annual report to the legislature and the governor by ~~February~~ January 15, 1989 of each year, that ~~outlines the various program designs~~ summarizes the annual reports submitted by the organizations that received planning grants. The report ~~must~~ may also include recommendations on ~~which components of the~~ improving the program designs are most suitable to ~~meeting to better meet~~ the needs of targeted youth. The advisory committee must participate in the preparation of this report and in the formulation of ~~the any~~ any recommendations.

Sec. 8. [1990 REPORT.]

The annual report for 1990 required under Minnesota Statutes, section 268.367, must include specific recommendations on whether the program should be continued on a permanent basis and, if continued, the state agency that should administer the program. In preparing this report and the recommendations, the commissioner of the state planning agency must consult with the eligible organizations receiving grants under section 9 and the advisory committee.

Sec. 9. [DEMONSTRATION GRANTS.]

Notwithstanding Minnesota Statutes, section 268.362, the commissioner of the state planning agency shall award up to three demonstration grants to eligible organizations, as defined in Minnesota Statutes, section 268.361, subdivision 4, based on criteria established in the report required under Laws 1988, chapter 686, article 3, section 7. To achieve a demonstration grant under this section, the eligible organization must match the grant money with at least an equal amount of nonstate money. The commissioner of finance must verify that the eligible organization has matched the grant money.

Sec. 10. [APPROPRIATION.]

\$200,000 is appropriated from the general fund for the biennium ending June 30, 1991, to the commissioner of the state planning agency for the demonstration grants under section 9.

ARTICLE 4

SPECIAL LAWS

Section 1. [DEFINITION.]

"City" means the city of Saint Paul and the city of Minneapolis for the purposes of sections 2 to 6.

Sec. 2. Laws 1974, chapter 285, section 1, is amended to read:

Section 1. [~~MINNEAPOLIS, CITY OF; HOUSING ACQUISITION AND REHABILITATION LOAN AND GRANT PROGRAM;~~ PURPOSE.] The legislature of the state of Minnesota finds that preservation of the quality of life in a major metropolitan city is dependent upon the preservation of adequate housing, that many houses in the city cities of Minneapolis and Saint Paul do not meet the applicable housing code or otherwise need rehabilitation or modernizing, that there is a need for a comprehensive housing rehabilitation program in the city cities of Minneapolis and Saint Paul which will complement any statewide housing rehabilitation program, that some home owners are unable to afford any rehabilitation expenses, that many home owners are unable to afford housing rehabilitation loans at market rate of interest, and that because the availability of mortgage credit for housing rehabilitation is limited some home owners cannot obtain such credit, and that reinvestment in the housing stock by rehabilitating and updating homes is necessary to maintain the stability of neighborhoods in the city. The legislature further finds that the construction of housing to replace individual dilapidated and obsolete buildings, for which rehabilitation is not economically feasible, is necessary to increase the stability and maintain the value of housing in established neighborhoods.

Sec. 3. Laws 1974, chapter 285, section 2, is amended to read:

Sec. 2. [~~CITY OF MINNEAPOLIS; HOUSING REHABILITATION LOAN PROGRAM.~~] The city of Minneapolis is authorized to develop and administer a housing rehabilitation loan program with respect to property located anywhere within its boundaries on such terms and conditions as it determines; provided that in approving applications for ~~this~~ such a program, the following factors shall be considered:

- (1) The availability of other governmental programs affordable by the applicant;
- (2) The availability and affordability of private market financing;
- (3) Whether the housing is required, pursuant to an urban renewal program or a code enforcement program, to be repaired, improved, or rehabilitated;
- (4) Whether the housing is required, pursuant to a court order issued under Minnesota Statutes, 1973 Supplement, Section 566.25, Clauses (b), (c), and (e), to be repaired, improved, or rehabilitated;

(5) Whether the housing has been determined to be uninsurable because of physical hazards after inspection pursuant to a statewide property insurance plan approved by the United States Department of Housing and Urban Development under Title XII of the National Housing Act; and further provided that all loans and grants shall be issued primarily for rehabilitating housing so that it meets applicable housing codes.

(6) Whether rehabilitation of the housing will maintain or improve the value of the housing and will help to stabilize the neighborhood in which the housing is located.

Sec. 4. Laws 1974, chapter 285, is amended by adding a new section to read:

Sec. 2a. [NEW SINGLE FAMILY RESIDENCES.]

Any housing rehabilitation loan program undertaken under section 3 may also provide for the city to make or purchase loans made to finance the acquisition of single family residences that have been newly constructed in established neighborhoods on land owned by the city or any agency of the city. For purposes of this section, land shall be considered to be owned by the city if the city or one of its agencies previously owned the land and conveyed it to an individual under a development agreement in which the individual has agreed to construct single family housing on such land. In approving applications for a loan to be made under this section, the following factors shall be considered:

(1) the availability and affordability of other governmental programs or private market financing; and

(2) whether the construction of such housing enhances the stability of the neighborhood in which it is located.

Sec. 5. Laws 1974, chapter 285, section 3, is amended to read:

Sec. 3. [CITY OF MINNEAPOLIS; HOUSING REHABILITATION GRANT PROGRAM.] The city of Minneapolis is authorized to develop and administer a housing rehabilitation grant program with respect to property within its boundaries, on such terms and conditions as it determines; provided that in approving applications for grants under this program, all of the considerations and limitations enumerated in section 2 for loans must be considered in making grants under this program, and the following factors must also be considered:

(1) Whether the housing unit is a single family dwelling or homesteaded unit and

(2) Whether the applicant is a person of low income; and further provided that the city council of the city of Minneapolis shall by ordinance set forth the regulations for this its grant program; and further provided that the dollar value of grants made shall not exceed five percent of the total value of the bonds issued for the loan and grant program together, and that all grants shall be made primarily to rehabilitate housing so that it meets applicable housing codes.

Sec. 6. Laws 1974, chapter 285, section 4, is amended to read:

Sec. 4. [ISSUANCE OF BONDS.] To finance the programs authorized in sections 2, 2a, and 3 of this act, the governing body of the city of Minneapolis may by resolution authorize, issue, and sell general obligation bonds of the city of Minneapolis in accordance with the provisions of Minnesota Statutes, Chapter 475. The total amount of all bonds in a city outstanding for the programs shall not exceed \$10,000,000 \$25,000,000. The amount of all bonds issued shall not be included in the net indebtedness of the city for the purpose of any charter or statutory debt limitation.

Sec. 7. Laws 1987, chapter 386, article 6, section 6, subdivision 2, is amended to read:

Subd. 2. [TARGETED NEIGHBORHOOD PARTICIPATION IN REVITALIZATION PROGRAM DEVELOPMENT.] The city shall develop a process to consult the residents in the targeted neighborhood concerning the development, drafting, and implementation of the revitalization program. The process may include the establishment of an advisory board in each city. The process must include at least one public hearing in addition to a public hearing held by the advisory board. The cities of Minneapolis and Duluth must use the certification process outlined in subdivisions 3 to 7. The city of Saint Paul must use the process outlined in section 2.

Sec. 8. Laws 1987, chapter 386, article 6, section 6, is amended by adding a subdivision to read:

Subd. 8. [CITY OF SAINT PAUL APPROVAL.] (a) For the purposes of this subdivision, "city" means the city of Saint Paul.

(b) A city may approve the preliminary revitalization program developed through a process that includes the citizen participation required under subdivision 2 only after holding a public hearing. Notice of the hearing must be provided in a newspaper of general circulation in the city and in the targeted neighborhoods not less than ten days nor more than 30 days before the date of the hearing. After the public hearing and after the city has incorporated any changes into the preliminary program as a result of the public hearing, the city may approve the preliminary program and shall

submit the approved preliminary program for final approval to the review board.

(c) After approval, the city shall submit the preliminary program to the commissioner and the Minnesota housing finance agency for their comments. The state agencies have 30 days to provide comments to the preliminary program. State agency comments must be submitted in writing to the review board established under paragraph (d).

(d) The city shall each establish a city urban revitalization action program review board whose purpose is to review the preliminary program submitted by the city, and approve all or portions of the program. The review board consists of two city council members who represent targeted neighborhoods, two members representing the city's business community appointed by the chamber of commerce representing businesses in the city, and three residents of targeted neighborhoods appointed by the city council. Two members of the house of representatives and one member of the state senate appointed by the city's legislative delegation shall be nonvoting members of the review board. Nonvoting legislative members of the review board shall represent targeted neighborhoods. A member of the review board who is appointed as a targeted neighborhood resident may not be a member of a formal community planning organization, an elected public official, or in any way be involved in preparing or implementing the program or any portion of the program. The review board may require the city to contract for staff assistance in reviewing and approving the program. Persons who provide staff assistance to the review board may not be city employees or in any way involved in a formal or informal organization representing residents of a targeted neighborhood. The city may use state money available under section 7 to pay for the costs of staffing the review board.

(e) The review board shall review the city's preliminary program and approve all or portions of the program. In reviewing the program, the review board shall take into account any comments submitted by state agencies under paragraph (c). The review board may only reject the revitalization program or portions of the program for the following reasons:

(1) the revitalization program does not include the information required under subdivision 1;

(2) the city did not follow the community-based process required under subdivision 2 for developing the revitalization program; or

(3) the revitalization program results in undue concentration of targeted neighborhood money in a single proposed activity or project.

The review board may approve all of the preliminary program and submit it to the city council for certification under paragraph (f) or submit for certification only those specific portions of the program approved by the review board. If the review board does not approve a portion of the program, it shall specify in writing to the city the reasons for not approving that portion of the program and any recommendations for changes. If the review board determines that a portion of the program needs significant changes, it may require the city to implement the community participation process under subdivision 2 and state review under this subdivision for making changes to that portion of the program.

(f) The city council may, by formal resolution, certify only those portions of a program approved by the review board under paragraph (e). A certification by the city council that all or portions of a revitalization program has been approved by the review board must be provided to the commissioner together with a copy of the approved portions of the program. A copy of the approved portions of the program must be submitted to the Minnesota housing finance agency.

(g) A revitalization program may be modified at any time by the city after a public hearing and approval by the review board. Notice of the public hearing must be published in a newspaper of general circulation in the city and in the targeted neighborhoods not less than ten days nor more than 30 days before the date of the hearing. If the review board determines that the proposed modification is a significant modification to the program originally certified under paragraph (f), it must require the implementation of the revitalization program approval and certification process under this subdivision for the proposed modification.

Sec. 9. [REPEALER.]

Laws 1974, chapter 351, sections 1, 2, 3, and 4, as amended by Laws 1975, chapter 260, section 5; and Laws 1975, chapter 260, sections 1, 2, 3, 4, and 5 are repealed.

Sec. 10. [EFFECTIVE DATE; REHABILITATION LOAN AND GRANT PROGRAM.]

Sections 1 to 9 are effective the day after enactment without local approval in accordance with Minnesota Statutes, section 645.023, subdivision 1, clause (a).

ARTICLE 5

OTHER HOUSING PROVISIONS

Section 1. Minnesota Statutes 1988, section 282.01, subdivision 1, is amended to read:

Subdivision 1. [CLASSIFICATION; USE; EXCHANGE.] It is the general policy of this state to encourage the best use of tax-forfeited lands, recognizing that some lands in public ownership should be retained and managed for public benefits while other lands should be returned to private ownership. All parcels of land becoming the property of the state in trust under the provisions of any law now existing or hereafter enacted declaring the forfeiture of lands to the state for taxes, shall be classified by the county board of the county wherein such parcels lie as conservation or nonconservation. Such classification shall be made with consideration, among other things, to the present use of adjacent lands, the productivity of the soil, the character of forest or other growth, accessibility of lands to established roads, schools, and other public services, their peculiar suitability or desirability for particular uses and the suitability of the forest resources on the land for multiple use, sustained yield management. Such classification, furthermore, shall aid: to encourage and foster a mode of land utilization that will facilitate the economical and adequate provision of transportation, roads, water supply, drainage, sanitation, education, and recreation; to facilitate reduction of governmental expenditures; to conserve and develop the natural resources; and to foster and develop agriculture and other industries in the districts and places best suited thereto.

In making such classification the county board may make use of such data and information as may be made available by any office or department of the federal, state, or local governments, or by any other person or agency possessing information pertinent thereto at the time such classification is made. Such lands may be reclassified from time to time as the county board may deem necessary or desirable, except as to conservation lands held by the state free from any trust in favor of any taxing district.

If any such lands are located within the boundaries of any organized town, with taxable valuation in excess of \$20,000, or incorporated municipality, the classification or reclassification and sale shall first be approved by the town board of such town or the governing body of such municipality insofar as the lands located therein are concerned. The town board of the town or the governing body of the municipality will be deemed to have approved the classification or reclassification and sale if the county board is not notified of the disapproval of the classification or reclassification and sale within 90 days of the date the request for approval was transmitted to the town board of the town or governing body of the municipality. If the town board or governing body desires to acquire any parcel lying in the town or municipality by procedures authorized in this subdivision, it shall, within 90 days of the request for classification or reclassification and sale, file a written application with the county board to withhold the parcel from public sale. The county board shall then withhold the parcel from public sale for one year.

Any tax-forfeited lands may be sold by the county board to any organized or incorporated governmental subdivision of the state for any public purpose for which such subdivision is authorized to acquire property or may be released from the trust in favor of the taxing districts upon application of any state agency for any authorized use at not less than their value as determined by the county board. The commissioner of revenue shall have power to convey by deed in the name of the state any tract of tax-forfeited land held in trust in favor of the taxing districts, to any governmental subdivision for any authorized public use, provided that an application therefor shall be submitted to the commissioner with a statement of facts as to the use to be made of such tract and the need therefor and the recommendation of the county board; and provided further, that upon application of a political subdivision and the filing with the commissioner of revenue and the county board of a resolution adopted by the governing body of the political subdivision finding that the conveyance of a tract of tax-forfeited land to the political subdivision is necessary to provide for the redevelopment of land as productive taxable property, the commissioner of revenue shall convey by deed in the name of the state the tract of land to the political subdivision. The deed of conveyance shall be upon a form approved by the attorney general and shall be conditioned upon continued use for the purpose stated in the application, provided, however, that if the governing body of such governmental subdivision by resolution determines that some other public use shall be made of such lands, and such change of use is approved by the county board and an application for such change of use is made to, and approved by, the commissioner, such changed use may be made of such lands without the necessity of the governing body conveying the lands back to the state and securing a new conveyance from the state to the governmental subdivision for such new public use.

Whenever any governmental subdivision to which any tax-forfeited land has been conveyed for a specified public use as provided in this section shall fail to put such land to such use, or to some other authorized public use as provided herein, or shall abandon such use, the governing body of the subdivision shall authorize the proper officers to convey the same, or such portion thereof not required for an authorized public use, to the state of Minnesota, and such officers shall execute a deed of such conveyance forthwith, which conveyance shall be subject to the approval of the commissioner and in form approved by the attorney general, provided, however, that a sale, lease, transfer or other conveyance of such lands by a housing and redevelopment authority, a port authority, an economic development authority, or a city as authorized by sections 469.001 to 469.047 chapter 469 shall not be an abandonment of such use and such lands shall not be reconveyed to the state nor shall they revert to the state. A certificate made by a housing and redevelopment authority, a port authority, an economic development authority, or a city referring to a conveyance by it and stating that the conveyance has been made as authorized by sections 469.001 to 469.047 chapter

469 may be filed with the county recorder or registrar of titles, and the rights of reverter in favor of the state provided by this subdivision will then terminate. No vote of the people shall be required for such conveyance. In case any such land shall not be so conveyed to the state, the commissioner of revenue shall by written instrument, in form approved by the attorney general, declare the same to have reverted to the state, and shall serve a notice thereof, with a copy of the declaration, by certified mail upon the clerk or recorder of the governmental subdivision concerned; provided, that no declaration of reversion shall be made earlier than five years from the date of conveyance for failure to put such land to such use or from the date of abandonment of such use if such lands have been put to such use. The commissioner shall file the original declaration in the commissioner's office, with verified proof of service as herein required. The governmental subdivision may appeal to the district court of the county in which the land lies by filing with the court administrator a notice of appeal, specifying the grounds of appeal and the description of the land involved, mailing a copy thereof by certified mail to the commissioner of revenue, and filing a copy thereof for record with the county recorder or registrar of titles, all within 30 days after the mailing of the notice of reversion. The appeal shall be tried by the court in like manner as a civil action. If no appeal is taken as herein provided, the declaration of reversion shall be final. The commissioner of revenue shall file for record with the county recorder or registrar of titles, of the county within which the land lies, a certified copy of the declaration of reversion and proof of service.

Any city of the first class now or hereafter having a population of 450,000, or over, or its board of park commissioners, which has acquired tax-forfeited land for a specified public use pursuant to the terms of this section, may convey said land in exchange for other land of substantially equal worth located in said city of the first class, provided that the land conveyed to said city of the first class now or hereafter having a population of 450,000, or over, or its board of park commissioners, in exchange shall be subject to the public use and reversionary provisions of this section; the tax-forfeited land so conveyed shall thereafter be free and discharged from the public use and reversionary provisions of this section, provided that said exchange shall in no way affect the mineral or mineral rights of the state of Minnesota, if any, in the lands so exchanged.

Sec. 2. Minnesota Statutes 1988, section 462A.05, subdivision 24, is amended to read:

Subd. 24. It may engage in housing programs for low and moderate income elderly, handicapped, or developmentally disabled persons, as defined by the agency, to provide grants or loans, with or without interest, for

(1) accessibility improvements to residences occupied by elderly persons;

(2) housing sponsors, as defined by the agency, of home sharing programs to match existing elderly homeowners with prospective tenants who will contribute either rent or services to the homeowner, where either the homeowner or the prospective tenant is elderly, handicapped, or developmentally disabled;

(3) the construction of or conversion of existing buildings into structures for occupancy by the elderly that contain from three to 12 private sleeping rooms with shared cooking facilities and common space; and

(4) housing sponsors, as defined by the agency, to demonstrate the potential for home equity conversion in Minnesota for the elderly, in both rural and urban areas, and to determine the need in those equity conversions for consumer safeguards.

In making the grants or loans, the agency shall determine the terms and conditions of repayment and the appropriate security, if any, should repayment be required. The agency may provide technical assistance to sponsors of home sharing programs or may contract or delegate the provision of the technical assistance in accordance with section 462A.07, subdivision 12.

Housing sponsors who receive funding through these programs shall provide homeowners and tenants participating in a home sharing program with information regarding their rights and obligations as they relate to federal and state tax law including, but not limited to, taxable rental income, homestead credit under chapter 273, and the property tax refund act under chapter 290A.

Sec. 3. Minnesota Statutes 1988, section 462C.02, is amended by adding a subdivision to read:

Subd. 12. [LOAN.] "Loan" means:

(1) for single family housing, any loan, mortgage, or other form of owner financing; and

(2) for multifamily housing developments which are rental property, any loan, mortgage, financing lease, or revenue agreement.

Sec. 4. Minnesota Statutes 1988, section 462C.02, is amended by adding a subdivision to read:

Subd. 13. [REVENUE AGREEMENT] "Revenue agreement" has the meaning given that term in section 469.153, subdivision 10.

Sec. 5. Minnesota Statutes 1988, section 462C.05, is amended by adding a subdivision to read:

Subd. 8. [REVENUE AGREEMENT AND FINANCING LEASE.] Any revenue agreement or financing lease that includes a provision for a conveyance of real estate to the lessee or contracting party may be terminated in accordance with the revenue agreement or financing lease, notwithstanding that the revenue agreement or financing lease may constitute an equitable mortgage. No financing lease of any development shall be subject to section 504.02, unless expressly so provided in the financing lease. Leases of specific dwelling units in the development to the tenants thereof are not affected by this subdivision.

Sec. 6. Minnesota Statutes 1988, section 463.15, subdivision 3, is amended to read:

Subd. 3. [HAZARDOUS BUILDING PROPERTY.] "Real property, including any building, shall be deemed hazardous building" means any building which if the property, because of inadequate maintenance, dilapidation, physical damage, unsanitary condition, or abandonment, constitutes a fire hazard or a hazard to public safety or health.

Sec. 7. Minnesota Statutes 1988, section 463.15, subdivision 4, is amended to read:

Subd. 4. [OWNER, OWNER OF RECORD, AND LIEN HOLDER OF RECORD.] "Owner," "owner of record," and "lien holder of record" means a person having a right or interest in property to which Laws 1967, chapter 324, applies described in subdivision 3 and evidence of which is filed and recorded in the office of the county recorder or registrar of titles in the county in which the property is situated.

Sec. 8. [465.271] [HAZARDOUS PROPERTY PENALTY.]

Any home rule charter or statutory city may assess a penalty up to one percent of the market value of real property, including any building located within the city that the city determines to be hazardous as defined in section 463.15, subdivision 3. The city shall send a written notice to the address to which the property tax statement is sent at least 90 days before it may assess the penalty. If the owner of the property has not paid the penalty and fixed the property within 90 days after receiving notice of the penalty, the penalty is considered delinquent and is increased by 25 percent each 60 days the penalty is not paid and the property remains hazardous. For the purposes of this section, a penalty that is delinquent is considered a delinquent property tax and subject to chapters 279, 280, and 281, in the same manner as delinquent property taxes.

Sec. 9. Minnesota Statutes 1988, section 469.007, is amended to read:

469.007 [POWERS OF COUNTY AND MULTICOUNTY AUTHORITIES.]

Subdivision 1. [POWERS.] A county or multicounty authority and its commissioners shall, within the area of operation of the authority, have the same functions, rights, powers, duties, privileges, immunities, and limitations as are provided for housing and redevelopment authorities created for cities, and for the commissioners of those authorities. The provisions of law applicable to housing and redevelopment authorities created for cities and their commissioners shall be applicable to county and multicounty authorities and their commissioners, except as clearly indicated otherwise.

Subd. 2. [POWERS AS TO HOUSING DEVELOPMENT PROJECTS.] When a county or multicounty authority undertakes any housing project or housing development project involving the acquisition of multifamily housing rental properties that (1) were financed under the Federal Section 8 or Section 236 programs, or (2) are designed to be affordable to persons or families with incomes not greater than 80 percent of median income for the metropolitan statistical area or nonmetropolitan county, and are located within any village, city, or township, the authority shall notify the governing body of such village, city, or township in writing of the location of such housing project or housing development project. If the governing body fails to take action on a housing project or housing development project in a writing which sets forth its reasons for such action within 30 days, the governing body shall be deemed to have approved the location of such housing project or housing development project for purposes of any special or general law requiring local approval of the location of housing projects and housing development projects undertaken by county or multicounty authorities.

Sec. 10. Minnesota Statutes 1988, section 469.012, subdivision 1, is amended to read:

Subdivision 1. [SCHEDULE OF POWERS.] An authority shall be a public body corporate and politic and shall have all the powers necessary or convenient to carry out the purposes of sections 469.001 to 469.047, except that the power to levy and collect taxes or special assessments is limited to the power provided in sections 469.027 to 469.033. Its powers include the following powers in addition to others granted in sections 469.001 to 469.047:

(1) to sue and be sued; to have a seal, which shall be judicially noticed, and to alter it; to have perpetual succession; and to make, amend, and repeal rules consistent with sections 469.001 to 469.047;

(2) to employ an executive director, technical experts, and officers, agents, and employees, permanent and temporary, that it requires, and determine their qualifications, duties, and compensation; for legal services it requires, to call upon the chief law officer of the city or to employ its own counsel and legal staff; so far as practicable, to use the services of local public bodies in its area of operation, provided that those local public bodies, if requested, shall make the services available;

(3) to delegate to one or more of its agents or employees the powers or duties it deems proper;

(4) within its area of operation, to undertake, prepare, carry out, and operate projects and to provide for the construction, reconstruction, improvement, extension, alteration, or repair of any project or part thereof;

(5) subject to the provisions of section 469.026, to give, sell, transfer, convey, or otherwise dispose of real or personal property or any interest therein and to execute leases, deeds, conveyances, negotiable instruments, purchase agreements, and other contracts or instruments, and take action that is necessary or convenient to carry out the purposes of these sections;

(6) within its area of operation, to acquire real or personal property or any interest therein by gifts, grant, purchase, exchange, lease, transfer, bequest, devise, or otherwise, and by the exercise of the power of eminent domain, in the manner provided by chapter 117, to acquire real property which it may deem necessary for its purposes, after the adoption by it of a resolution declaring that the acquisition of the real property is necessary to eliminate one or more of the conditions found to exist in the resolution adopted pursuant to section 469.003 or to provide decent, safe, and sanitary housing for persons of low and moderate income, or is necessary to carry out a redevelopment project. Real property needed or convenient for a project may be acquired by the authority for the project by condemnation pursuant to this section. This includes any property devoted to a public use, whether or not held in trust, notwithstanding that the property may have been previously acquired by condemnation or is owned by a public utility corporation, because the public use in conformity with the provisions of sections 469.001 to 469.047 shall be deemed a superior public use. Property devoted to a public use may be so acquired only if the governing body of the municipality has approved its acquisition by the authority. An award of compensation shall not be increased by reason of any increase in the value of the real property caused by the assembly, clearance or reconstruction, or proposed assembly, clearance or reconstruction for the purposes of sections 469.001 to 469.047 of the real property in an area;

(7) within its area of operation, and without the adoption of an

urban renewal plan, to acquire, by all means as set forth in clause (6) but without the adoption of a resolution provided for in clause (6), real property, and to demolish, remove, rehabilitate, or reconstruct the buildings and improvements or construct new buildings and improvements thereon, or to so provide through other means as set forth in Laws 1974, chapter 228, or to grade, fill, and construct foundations or otherwise prepare the site for improvements. The authority may dispose of the property pursuant to section 469.029, provided that the provisions of section 469.029 requiring conformance to an urban renewal plan shall not apply. The authority may finance these activities by means of the redevelopment project fund or by means of tax increments or tax increment bonds or by the methods of financing provided for in section 469.033 or by means of contributions from the municipality provided for in section 469.041, clause (9), or by any combination of those means. Real property with buildings or improvements thereon shall only be acquired under this clause when the buildings or improvements are substandard. The exercise of the power of eminent domain under this clause shall be limited to real property which contains buildings and improvements which are vacated and substandard. For the purpose of this clause, substandard buildings or improvements mean hazardous buildings as defined in section 463.15, subdivision 3, or buildings or improvements that are dilapidated or obsolescent, faultily designed, lack adequate ventilation, light, or sanitary facilities, or any combination of these or other factors that are detrimental to the safety or health of the community;

(8) within its area of operation, to determine the level of income constituting low or moderate family income. The authority may establish various income levels for various family sizes. In making its determination, the authority may consider income levels that may be established by the federal housing administration or a similar or successor federal agency for the purpose of federal loan guarantees or subsidies for persons of low or moderate income. The authority may use that determination as a basis for the maximum amount of income for admissions to housing development projects or housing projects owned or operated by it;

(9) to provide in federally assisted projects any relocation payments and assistance necessary to comply with the requirements of the Federal Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, and any amendments or supplements thereto;

(10) to make, or agree to make, payments in lieu of taxes to the city or the county, the state or any political subdivision thereof, that it finds consistent with the purposes of sections 469.001 to 469.047;

(11) to cooperate with or act as agent for the federal government, the state or any state public body, or any agency or instrumentality of the foregoing, in carrying out any of the provisions of sections

469.001 to 469.047 or of any other related federal, state, or local legislation; and upon the consent of the governing body of the city to purchase, lease, manage, or otherwise take over any housing project already owned and operated by the federal government;

(12) to make plans for carrying out a program of voluntary repair and rehabilitation of buildings and improvements, and plans for the enforcement of laws, codes, and regulations relating to the use of land and the use and occupancy of buildings and improvements, and to the compulsory repair, rehabilitation, demolition, or removal of buildings and improvements. The authority may develop, test, and report methods and techniques, and carry out demonstrations and other activities for the prevention and elimination of slums and blight;

(13) to borrow money or other property and accept contributions, grants, gifts, services, or other assistance from the federal government, the state government, state public bodies, or from any other public or private sources;

(14) to include in any contract for financial assistance with the federal government any conditions that the federal government may attach to its financial aid of a project, not inconsistent with purposes of sections 469.001 to 469.047, including obligating itself (which obligation shall be specifically enforceable and not constitute a mortgage, notwithstanding any other laws) to convey to the federal government the project to which the contract relates upon the occurrence of a substantial default with respect to the covenants or conditions to which the authority is subject; to provide in the contract that, in case of such conveyance, the federal government may complete, operate, manage, lease, convey, or otherwise deal with the project until the defaults are cured if the federal government agrees in the contract to reconvey to the authority the project as then constituted when the defaults have been cured;

(15) to issue bonds for any of its corporate purposes and to secure the bonds by mortgages upon property held or to be held by it or by pledge of its revenues, including grants or contributions;

(16) to invest any funds held in reserves or sinking funds, or any funds not required for immediate disbursement, in property or securities in which savings banks may legally invest funds subject to their control or in the manner and subject to the conditions provided in section 475.66 for the deposit and investment of debt service funds;

(17) within its area of operation, to determine where blight exists or where there is unsafe, unsanitary, or overcrowded housing;

(18) to carry out studies of the housing and redevelopment needs within its area of operation and of the meeting of those needs. This

includes study of data on population and family groups and their distribution according to income groups, the amount and quality of available housing and its distribution according to rentals and sales prices, employment, wages, desirable patterns for land use and community growth, and other factors affecting the local housing and redevelopment needs and the meeting of those needs; to make the results of those studies and analyses available to the public and to building, housing, and supply industries;

(19) if a local public body does not have a planning agency or the planning agency has not produced a comprehensive or general community development plan, to make or cause to be made a plan to be used as a guide in the more detailed planning of housing and redevelopment areas;

(20) to lease or rent any dwellings, accommodations, lands, buildings, structures, or facilities included in any project and, subject to the limitations contained in sections 469.001 to 469.047 with respect to the rental of dwellings in housing projects, to establish and revise the rents or charges therefor;

(21) to own, hold, and improve real or personal property and to sell, lease, exchange, transfer, assign, pledge, or dispose of any real or personal property or any interest therein;

(22) to insure or provide for the insurance of any real or personal property or operations of the authority against any risks or hazards;

(23) to procure or agree to the procurement of government insurance or guarantees of the payment of any bonds or parts thereof issued by an authority and to pay premiums on the insurance;

(24) to make expenditures necessary to carry out the purposes of sections 469.001 to 469.047;

(25) to enter into an agreement or agreements with any state public body to provide informational service and relocation assistance to families, individuals, business concerns, and nonprofit organizations displaced or to be displaced by the activities of any state public body;

(26) to compile and maintain a catalog of all vacant, open and undeveloped land, or land which contains substandard buildings and improvements as that term is defined in clause (7), that is owned or controlled by the authority or by the governing body within its area of operation and to compile and maintain a catalog of all authority owned real property that is in excess of the foreseeable needs of the authority, in order to determine and recommend if the real property compiled in either catalog is appropriate for disposal pursuant to the provisions of section 469.029, subdivisions 9 and 10;

(27) to recommend to the city concerning the enforcement of the applicable health, housing, building, fire prevention, and housing maintenance code requirements as they relate to residential dwelling structures that are being rehabilitated by low or moderate income persons pursuant to section 469.029, subdivision 9, for the period of time necessary to complete the rehabilitation, as determined by the authority;

(28) to recommend to the city the initiation of municipal powers, against certain real properties, relating to repair, closing, condemnation, or demolition of unsafe, unsanitary, hazardous, and unfit buildings, as provided in section 469.041, clause (5); and

(29) to sell, at private or public sale, at the price or prices determined by the authority, any note, mortgage, lease, sublease, lease purchase, or other instrument or obligation evidencing or securing a loan made for the purpose of economic development, job creation, redevelopment, or community revitalization by a public agency to a business, for-profit or nonprofit organization, or an individual; and

(30) within its area of operation, to acquire and sell real property that is benefited by federal housing assistance payments, other rental subsidies, or interest reduction payments, other rental subsidies, or interest reduction contracts for the purpose of preserving the affordability of low- and moderate-income multifamily housing.

Sec. 11. [EFFECTIVE DATE.]

Section 9 is effective the day following final enactment.

ARTICLE 6

HOUSING IMPACT REPORT

Section 1. [504.30] [DEFINITIONS.]

Subdivision 1. [SCOPE.] The definitions in this section apply to sections 1 to 5.

Subd. 2. [CITY.] "City" means any statutory or home rule charter city. The term "city" also includes a port authority, economic development authority, a housing and redevelopment authority, or any development agency established under chapter 469 which share common boundaries with the city.

Subd. 3. [DISPLACE.] "Displace" means to demolish, acquire for or convert to a use other than low-income housing, or to provide or expend funds that directly result in demolition, acquisition for or conversion to a use other than low-income housing.

"Displace" does not include providing or expending funds that directly result in, and are limited to, those improvements of housing which are made to comply with health, housing, building, fire prevention, housing maintenance, or energy codes or standards of the applicable government unit, or to make the housing more accessible to any handicapped person.

Subd. 4. [GOVERNMENT UNIT.] "Government unit" means any state agency; any public or private agency, corporation, or entity receiving a direct appropriation from the state for the purpose of a project that would displace low-income housing; or any general or special purpose unit of government in the state, including, but not limited to, any city, county, county housing and redevelopment authority, town, and regional development commission.

Subd. 5. [LOW-INCOME HOUSING.] "Low-income housing" means rental housing with a rent less than or equal to 30 percent of 50 percent of the median income for the county in which the rental housing is located, adjusted by size. "Low-income housing" also includes rental housing that has been vacant for less than two years, that was low-income housing when it was last occupied, and that is not condemned as being unfit for human habitation by the applicable government unit.

Subd. 6. [RENTAL HOUSING.] "Rental housing" includes, but is not limited to, rental apartments, rooms, and housing; board and lodging units; rooms in single-occupancy buildings and hotels that offer to be used as the sole residence of the occupant; transitional housing; and shelters. Rental housing does not include transitional housing located within a floodplain or community based residential facilities.

Subd. 7. [REPLACEMENT HOUSING.] "Replacement housing" means rental housing that shall:

(1) Be the lesser of (i) the number and corresponding size of low-income housing units displaced, or (ii) be sufficient in number and corresponding size of those low-income housing units displaced to meet the demand for those units;

(2) be low-income housing for the greater of 15 years or the compliance period of the federal low-income housing tax credit under United States Code, title 26, section 42(i)(1), as amended. This section does not prohibit increases in rent to cover operating expenses;

(3) be in at least standard condition; and

(4) be located in the city or town where the displaced low-income housing units were located.

Replacement housing may be provided as, but not limited to, newly constructed housing; or rehabilitated or rent subsidized existing housing that did not already qualify as low-income housing.

Subd. 8. [SIZE.] "Size" means the number of bedrooms in a housing unit.

Sec. 2. [504.31] [ANNUAL HOUSING IMPACT REPORT.]

Subdivision 1. [ANNUAL REPORT REQUIRED.] A government unit shall prepare an annual housing impact report for each year in which the government unit displaces ten or more units of low-income housing.

Subd. 2. [DRAFT ANNUAL HOUSING IMPACT REPORT.] A government unit subject to this section must prepare a draft annual housing impact report for review and comment by interested persons. The draft report must be completed by January 31 of the year immediately following a year in which the government unit has displaced ten or more units of low-income housing.

Subd. 3. [CONTENTS.] The draft and final annual housing impact reports must include:

(1) identification of each low-income housing unit that was displaced in the previous year in the city or town where housing was displaced by the government unit, including the unit's address, size, and rent; the number of persons who could have occupied the unit; the condition the unit was in, and whether it was habitable at the time of displacement; the owner of the unit; whether it was owner occupied; and how and when it was displaced;

(2) identification of each unit of replacement housing provided in the previous year in the city or town, including the unit's address, size, and rent; the number of persons who could occupy the unit; the owner of the unit; whether it is owner occupied; and an identification of the displaced low-income housing unit that was replaced by the unit of replacement housing;

(3) analysis of the supply of and demand for all sizes of low-income housing units, by size and rent, in the city or town;

(4) determination of whether there is an adequate supply of available and unoccupied low-income housing units to meet the demand for all sizes of low-income housing, by size and rent, in the city or town where housing has been displaced by the government unit;

(5) estimation of the cost of providing replacement housing for low-income housing not in adequate supply to meet the demand for

all sizes of low-income housing, by size and rent, in the city or town where housing has been displaced by the government unit; and

(6) analysis of the government unit's compliance with the replacement plans of previous housing annual impact reports and project housing impact statements.

Subd. 4. [REPLACEMENT PLAN.] If there is an inadequate supply of available and unoccupied low-income housing units to meet the demand for the replacement housing in the city or town where housing has been displaced by the government unit, the draft and final annual housing impact reports shall include a plan for providing the replacement housing within 36 months following the date of the final annual housing impact report.

Subd. 5. [NOTICE; REQUEST FOR COMMENTS.] A government unit subject to this section must provide for public input in preparing the annual housing impact report, including a public comment period and a public hearing. The government unit must publish notice of its draft annual housing impact report in a newspaper of general circulation in the city or town by the deadline for completion of the draft annual housing impact report. The notice must include a request for comments on the draft annual housing impact report within the 30 days following the notice, and notice of the date, time, and location of a public hearing on the draft annual housing impact report to be held within 15 to 30 days following the date of notice. Copies of the notice must be sent to the neighborhood and citizen participation organizations, district planning councils, housing referral and information services, shelters, homeless and tenants advocacy groups, and legal aid offices in the city or town where the displaced low-income housing was located. Copies of the notice and the draft annual housing impact report must be submitted to the state planning agency and the Minnesota housing finance agency.

Subd. 6. [FINAL ANNUAL HOUSING IMPACT REPORT.] In preparing and approving a final annual housing impact report, a government unit subject to this section must consider comments received during the comment period and at the public hearing on the draft report. The final report shall be prepared within 30 days following the deadline for receipt of comments on the draft annual housing impact report. The government unit shall publish notice of the final annual housing impact report in a newspaper of general circulation in the city or town. Copies of the notice must be sent to neighborhood and citizen participation organizations, district planning councils, housing referral and information services, shelters, homeless and tenants advocacy groups, and legal aid offices in the city or town where the displaced low-income housing was located. Copies of the notice and the draft annual housing impact report must be submitted to the state planning agency and the Minnesota housing finance agency.

Sec. 3. [504.32] [REPLACEMENT HOUSING REQUIRED.]

A government unit subject to section 2 must provide the replacement housing within 36 months following the date of the final annual housing impact report, unless there is an adequate supply of available and unoccupied low-income housing units to meet the demand for the replacement housing in the city or town where housing has been displaced by the government unit."

Delete the title and insert:

"A bill for an act relating to housing; authorizing the establishment of affordable housing programs under the administration of the Minnesota housing finance agency; establishing a neighborhood preservation program; revising certain tenant damage provisions in landlord-tenant actions; regulating tenant screening services; providing for rent escrow systems; providing for building repair fines; changing the youth employment and housing program from a design stage to an implementation stage; revising the Minneapolis and Saint Paul acquisition and rehabilitation loan and grant program; establishing a fair housing education and public information program; expanding the homesharing program; revising certain housing receivership provisions; changing notice and redemption provisions for certain types of properties; requiring housing impact reports; appropriating money; imposing penalties; amending Minnesota Statutes 1988, sections 268.361, subdivision 4, and by adding a subdivision; 268.362; 268.364; 268.365; 268.366; 268.367; 282.01, subdivision 1; 462A.05, subdivisions 24, 27, and by adding subdivisions; 462A.21, subdivisions 4k, 12, and by adding subdivisions; 462C.02, by adding subdivisions; 462C.05, by adding a subdivision; 463.15, subdivisions 3 and 4; 463.21; 469.007; 469.012, subdivision 1; 504.255; 504.26; 566.29, subdivisions 1, 4, and by adding subdivisions; 580.04; 580.12; 581.10; 582.03; 582.30, subdivision 2; Laws 1974, chapter 285, sections 1, 2, 3, 4, and by adding a section; and Laws 1987, chapter 386, article 6, section 6, subdivision 2, and by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapters 465; 504; 566; 580; and 582; repealing Laws 1974, chapter 351, sections 1, 2, 3, and 4, as amended; and Laws 1975, chapter 260, sections 1, 2, 3, 4, and 5."

The motion prevailed and the amendment was adopted.

Frerichs; Olsen, S., and Tjornhom moved to amend S. F. No. 522, as amended, as follows:

Page 51, lines 14 and 15, delete "statutory or home rule charter" and after "city" insert "of the first class"

A roll call was requested and properly seconded.

The question was taken on the Frerichs et al amendment and the roll was called. There were 80 yeas and 49 nays as follows:

Those who voted in the affirmative were:

Abrams	Frederick	Kalis	Olsen, S.	Schafer
Anderson, R.	Frerichs	Kinkel	Olson, E.	Schreiber
Bennett	Girard	Knickerbocker	Olson, K.	Seaberg
Bishop	Gruenes	Kostohryz	Omann	Segal
Blatz	Gutknecht	Lasley	Onnen	Sparby
Brown	Hartle	Limmer	Ostrom	Stanius
Burger	Hasskamp	Lynch	Ozment	Swigum
Carlson, D.	Haukoos	Macklin	Pauly	Swenson
Carlson, L.	Heap	Marsh	Pellow	Tjornhom
Carruthers	Henry	McDonald	Pelowski	Tompkins
Cooper	Himle	McGuire	Poppenhagen	Uphus
Dauner	Hugoson	McPherson	Pugh	Valento
Dempsey	Jacobs	Miller	Redalen	Waltman
Dille	Jennings	Morrison	Reding	Weaver
Dorn	Johnson, R.	Munger	Richter	Wenzel
Forsythe	Johnson, V.	Neuenschwander	Runbeck	Williams

Those who voted in the negative were:

Anderson, G.	Greenfield	McLaughlin	Peterson	Steensma
Battaglia	Jaros	Murphy	Price	Trimble
Bauerly	Jefferson	Nelson, C.	Quinn	Tunheim
Beard	Johnson, A.	Nelson, K.	Rice	Vellenga
Begich	Kahn	O'Connor	Rodosovich	Wagenius
Bertram	Kelly	Ogren	Rukavina	Welle
Boo	Kelso	Orenstein	Sarna	Winter
Clark	Krueger	Osthoff	Simoneau	Wynia
Conway	Long	Otis	Skoglund	Spk. Vanasek
Dawkins	McEachern	Pappas	Solberg	

The motion prevailed and the amendment was adopted.

S. F. No. 522, A bill for an act relating to housing; authorizing the establishment of affordable housing programs under the administration of the Minnesota housing finance agency; establishing a neighborhood preservation program; revising certain tenant damage provisions in landlord-tenant actions; regulating tenant screening services; establishing a rent escrow system; providing mandatory building repair fines; authorizing a housing calendar consolidation pilot project in Hennepin and Ramsey counties; requiring housing impact statements; revising certain housing receivership provisions; providing a limited right of entry to secure vacant or unoccupied buildings; providing for city housing rehabilitation loan programs; establishing the community and neighborhood development organization program; establishing a child development program; authorizing a neighborhood revitalization program; imposing penalties; appropriating money; amending Minnesota Statutes 1988, sections 4.071; 282.01, subdivision 1; 462A.03, by adding a subdivision; 462A.05, subdivision 27, and by adding subdivisions; 462A.21, subdivisions 4k, 12, and by adding subdivisions; 462C.02, by adding subdivisions; 462C.05, by adding a subdivision; 463.15,

subdivisions 3 and 4; 463.16; 463.161; 463.17; 463.20; 463.21; 463.22; 469.012, subdivision 1; 504.255; 504.26; 566.17; 566.175, subdivision 1; 566.29, subdivisions 1, 4, and by adding subdivisions; 582.03; Laws 1971, chapter 333, as amended, by adding a section; Laws 1974, chapters 285, sections 2, 3, 4, and by adding a section; and 475, by adding a section; proposing coding for new law in Minnesota Statutes, chapters 116J; 129A; 145; 268; 363; 412; 462A; 469; 471; 504; 566; and 582; repealing Laws 1974, chapter 351, sections 1 to 4, as amended; Laws 1975, chapter 260, sections 1 to 5; and Laws 1987, chapters 384, article 3, section 22; and 386, article 6, sections 4 to 11.

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

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

Those who voted in the affirmative were:

Abrams	Frerichs	Krueger	Onnen	Segal
Anderson, G.	Girard	Lasley	Orenstein	Simoneau
Anderson, R.	Greenfield	Lieder	Osthoff	Skoglund
Battaglia	Gruenes	Limmer	Ostrom	Solberg
Bauerly	Gutknecht	Long	Otis	Sparby
Beard	Hartle	Lynch	Ozment	Stanius
Begich	Hasskamp	Macklin	Pappas	Steensma
Bennett	Haukoos	Marsh	Pauly	Sviggum
Bertram	Heap	McDonald	Pellow	Swenson
Bishop	Henry	McEachern	Pelowski	Tjornhom
Blatz	Himle	McGuire	Peterson	Tompkins
Boo	Hugoson	McLaughlin	Poppenhagen	Trimble
Brown	Jacobs	McPherson	Price	Tunheim
Burger	Janezich	Milbert	Pugh	Uphus
Carlson, D.	Jaros	Miller	Quinn	Valento
Carlson, L.	Jefferson	Morrison	Redalen	Vellenga
Carruthers	Jennings	Munger	Reding	Wagenius
Clark	Johnson, A.	Murphy	Rest	Waltman
Conway	Johnson, R.	Nelson, C.	Rice	Weaver
Cooper	Johnson, V.	Nelson, K.	Richter	Welle
Dauner	Kahn	Neuenschwander	Rodosovich	Wenzel
Dawkins	Kalis	O'Connor	Rukavina	Williams
Dempsey	Kelly	Ogren	Runbeck	Winter
Dille	Kelso	Olsen, S.	Sarna	Wynia
Dorn	Kinkel	Olson, E.	Schafer	Spk. Vanasek
Forsythe	Knickerbocker	Olson, K.	Schreiber	
Frederick	Kostohryz	Omann	Seaberg	

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

INTRODUCTION AND FIRST READING OF HOUSE BILLS

The following House Files were introduced:

Peterson introduced:

H. F. No. 1765, A bill for an act relating to state and local government; regulating construction permits; amending Minnesota Statutes 1988, section 15.41; proposing coding for new law in Minnesota Statutes, chapter 386.

The bill was read for the first time and referred to the Committee on Local Government and Metropolitan Affairs.

Gutknecht, Osthoff, Jacobs, Wenzel and Dempsey introduced:

H. F. No. 1766, A bill for an act relating to taxation; income; allowing the school tuition subtraction to nonitemizers; amending Minnesota Statutes 1988, section 290.01, subdivision 19b.

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

Otis, Hasskamp, Marsh, Kelly and Tjornhom introduced:

H. F. No. 1767, A resolution memorializing the management of the National Hockey League to take action to end the violence in professional hockey.

The bill was read for the first time and referred to the Committee on General Legislation, Veterans Affairs and Gaming.

Murphy, Trimble, Pauly, Pelowski and Rest introduced:

H. F. No. 1768, A bill for an act relating to taxation; providing an income and property tax refund return checkoff for the support of public libraries; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 290.

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

Trimble introduced:

H. F. No. 1769, A bill for an act relating to waste management; providing for demonstration projects in the admixture of sewage sludge ash in asphalt; proposing coding for new law in Minnesota Statutes 1988, chapter 473.

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

Marsh; Munger; Stanius; Johnson, R., and Weaver introduced:

H. F. No. 1770, A bill for an act relating to waters; wetlands identification, preservation, and management; amending Minnesota Statutes 1988, sections 105.38; 105.391, by adding subdivisions; and 106A.701, by adding a subdivision.

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

Lasley; Jennings; Peterson; Carlson, L., and Carlson, D., introduced:

H. F. No. 1771, A bill for an act relating to education; giving Cambridge full campus status in the community college system; appropriating money; amending Minnesota Statutes 1988, sections 136.60 and 136.602.

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

Murphy, Battaglia and McEachern introduced:

H. F. No. 1772, A bill for an act relating to towns; providing for state participation in sewer and water development; providing for the issuance of state bonds; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 116J.

The bill was read for the first time and referred to the Committee on Local Government and Metropolitan Affairs.

Ogren; Anderson, R.; Vanasek; Seaberg and Simoneau introduced:

H. F. No. 1773, A bill for an act proposing an amendment to the Minnesota Constitution, article XIII, by adding a section; requiring that a state health care program be established for the uninsured.

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

Steensma, Winter, Dauner and Wenzel introduced:

H. F. No. 1774, A bill for an act relating to agriculture; authorizing a lien for agricultural input suppliers when a lender does not provide a letter of commitment; amending Minnesota Statutes 1988, section 514.952, subdivisions 4 and 5.

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

HOUSE ADVISORIES

The following House Advisory was introduced:

Kelly, Pappas, Osthoff, Orenstein and Trimble introduced:

H. A. No. 15, A proposal to study the consolidation of Ramsey county law enforcement agencies.

The advisory was referred to the Committee on Judiciary.

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 File, herewith returned:

H. F. No. 1432, A bill for an act relating to transportation; requiring nonrailroad lessors to comply with certain procedures before sale of property interests; amending Minnesota Statutes 1988, sections 222.631, by adding a subdivision; 222.632; and 222.633.

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. 837, A bill for an act relating to crimes; prohibiting the concealing of criminal proceeds; prohibiting racketeering; providing civil and criminal penalties for engaging in narcotics and violent offenses as part of an enterprise; authorizing the dissolution of a corporate charter, revocation of a license, and injunctive relief to prevent criminal activity by an enterprise; authorizing fines of three times the profit gained through racketeering; authorizing criminal

forfeiture; amending Minnesota Statutes 1988, section 541.07; proposing coding for new law in Minnesota Statutes, chapters 541 and 609.

PATRICK E. FLAHAVEN, Secretary of the Senate

Carruthers moved that the House refuse to concur in the Senate amendments to H. F. No. 837, that the Speaker appoint a Conference Committee of 3 members of the House, and that the House requests that a like committee be appointed by the Senate to confer on the disagreeing votes of the two houses. The motion prevailed.

Mr. Speaker:

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

H. F. No. 1160, A bill for an act relating to education; authorizing school district participation in certain energy efficiency projects; proposing coding for new law in Minnesota Statutes, chapter 124.

PATRICK E. FLAHAVEN, Secretary of the Senate

Bauerly moved that the House refuse to concur in the Senate amendments to H. F. No. 1160, that the Speaker appoint a Conference Committee of 3 members of the House, and that the House requests that a like committee be appointed by the Senate to confer on the disagreeing votes of the two houses. The motion prevailed.

Mr. Speaker:

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

H. F. No. 260, A bill for an act relating to employment; providing for review of an employee's personnel record; providing for removal or revision of disputed information contained in an employee's personnel record; regulating use of omitted information; proposing coding for new law in Minnesota Statutes, chapter 181.

PATRICK E. FLAHAVEN, Secretary of the Senate

Trimble moved that the House refuse to concur in the Senate amendments to H. F. No. 260, that the Speaker appoint a Conference Committee of 3 members of the House, and that the House requests

that a like committee be appointed by the Senate to confer on the disagreeing votes of the two houses. The motion prevailed.

Mr. Speaker:

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

H. F. No. 166, A bill for an act relating to state agencies; providing that certain information submitted to department of transportation is public data; providing for development of internal auditing standards; classifying certain internal auditing data as other than public; defining terms; providing for limousine registration; exempting certain special transportation service providers holding current certificate of compliance from motor carrier regulations; delineating requirements of carriers to display certain information; providing for permits of special passenger carriers and household goods carriers; providing for operation under motor carrier permit on death of holder; providing for amount of insurance, bond, or other security required of motor carriers; giving commissioner of transportation subpoena power for certain enforcement purposes; providing for suspension of registration of interstate authority for failure to maintain insurance; amending Minnesota Statutes 1988, sections 13.72, by adding subdivisions; 16A.055, subdivision 1; 168.011, subdivision 35; 168.128, subdivision 2; 174.30, subdivision 6; 221.011, subdivisions 16, 20, and by adding a subdivision; 221.031, subdivision 6; 221.111; 221.121, subdivision 6a; 221.141, subdivision 1b, and by adding a subdivision; and 221.60, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapters 13; 65B; and 221.

PATRICK E. FLAHAVEN, Secretary of the Senate

Lasley moved that the House refuse to concur in the Senate amendments to H. F. No. 166, that the Speaker appoint a Conference Committee of 3 members of the House, and that the House requests that a like committee be appointed by the Senate to confer on the disagreeing votes of the two houses. The motion prevailed.

Mr. Speaker:

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

H. F. No. 162, A bill for an act relating to insurance; regulating insurance information collection, use, disclosure, access, and correction practices; requiring reasons for adverse underwriting decisions; amending Minnesota Statutes 1988, section 72A.20, subdivision 11;

proposing coding for new law in Minnesota Statutes, chapter 72A.

PATRICK E. FLAHAVERN, Secretary of the Senate

Skoglund moved that the House refuse to concur in the Senate amendments to H. F. No. 162, that the Speaker appoint a Conference Committee of 3 members of the House, and that the House requests that a like committee be appointed by the Senate to confer on the disagreeing votes of the two houses. The motion prevailed.

Mr. Speaker:

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

H. F. No. 59, A bill for an act relating to public safety; authorizing bonding for capital improvements; appropriating money to convert a regional treatment center for use as an adult correctional facility and to operate the facility; appropriating money for a variety of correctional and treatment programs; revising and increasing penalties for controlled substance crimes; authorizing increased sentences and juvenile court reference for controlled substance crimes committed within a drug free school or park zone; increasing penalties for a variety of other crimes; providing for life imprisonment without supervised release for persons convicted of first degree murder or a third criminal sexual conduct offense; providing for sex offender treatment programs; providing that an inmate who completes a sex offender treatment program is eligible for an adjustment to the supervised release date; providing for the collection and admissibility of DNA evidence; modifying certain forfeiture provisions; permitting a school-sponsored alcohol awareness program; requiring reporting of newborns with signs of controlled substance exposure and reporting of certain controlled substance use by pregnant women; providing for toxicology testing; requiring an education program to protect unborn children from such prenatal exposure; providing for civil commitment of pregnant women for certain controlled substance use; establishing a community crime prevention grant program; providing a soft body armor reimbursement program; creating a drug abuse prevention resource council; establishing a child protection system study commission; providing for a community resources program for cities of the first class; appropriating money; amending Minnesota Statutes 1988, sections 152.01, subdivision 7, and by adding subdivisions; 152.096, subdivision 1; 152.097, by adding a subdivision; 152.15, subdivision 4a; 152.151; 152.18, subdivision 1; 152.20; 152.21, subdivision 6; 169.09, subdivision 14; 243.05, subdivision 1; 244.05, subdivisions 1, 4, 5, and by adding a subdivision; 244.09, subdivision 5; 253B.02, subdivisions 2 and 10; 256.01, by adding a subdivision; 260.125, subdivision 3; 260.161, subdivision 1; 260.185, subdivision 1; 297D.09,

subdivision 1a; 299F.80, subdivision 1; 325D.56, subdivision 2; 340A.701; 340A.702; 526.10; 609.11, subdivisions 7 and 9; 609.185; 609.19; 609.195; 609.205; 609.221; 609.222; 609.223; 609.2231, subdivision 1; 609.255, subdivision 3; 609.2665; 609.267; 609.323, subdivision 1; 609.342, subdivision 2; 609.343, subdivision 2; 609.344, subdivision 2; 609.345, subdivision 2; 609.346; 609.377; 609.445; 609.48, subdivision 4; 609.487, subdivision 4; 609.52; 609.53, subdivisions 1 and 4; 609.5311, subdivision 3; 609.5314, subdivision 1; 609.5315, subdivision 1; 609.576; 609.62, subdivision 2; 609.631, subdivision 2; 609.86, subdivision 3; 611A.038; 624.701; 624.712, subdivision 5; and 626.556, subdivisions 2, 3, and 10; proposing coding for new law in Minnesota Statutes, chapters 116K; 121; 144; 152; 241; 242; 244; 299A; 299C; 466A; 609; 626; 634; and 638; repealing Minnesota Statutes 1988, sections 152.09; 152.15, subdivisions 1, 2, 2a, 2b, 3, and 5; 609.53, subdivisions 1a, 3, and 3a; and 609.55.

PATRICK E. FLAHAVEN, Secretary of the Senate

Kelly moved that the House refuse to concur in the Senate amendments to H. F. No. 59, 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 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. 1355, A bill for an act relating to probate; modifying provisions for the award of sentimental property and family allowances; amending Minnesota Statutes 1988, sections 525.151; and 525.152.

PATRICK E. FLAHAVEN, Secretary of the Senate

CONCURRENCE AND REPASSAGE

Carruthers moved that the House concur in the Senate amendments to H. F. No. 1355 and that the bill be repassed as amended by the Senate. The motion prevailed.

H. F. No. 1355, A bill for an act relating to probate; modifying provisions for the award of sentimental property and family allowances; amending Minnesota Statutes 1988, sections 525.151; and 525.152.

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

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

Those who voted in the affirmative were:

Abrams	Frederick	Kostohryz	Omann	Schreiber
Anderson, G.	Frerichs	Krueger	Onnen	Seaberg
Anderson, R.	Girard	Lasley	Orenstein	Segal
Battaglia	Greenfield	Lieder	Osthoff	Simoneau
Bauerly	Gruenes	Limmer	Ostrom	Skoglund
Beard	Gutknecht	Long	Otis	Solberg
Begich	Hartle	Lynch	Ozment	Sparby
Bennett	Hasskamp	Macklin	Pappas	Stanius
Bertram	Haukoos	Marsh	Pauly	Steensma
Bishop	Heap	McDonald	Pellow	Sviggum
Blatz	Henry	McEachern	Pelowski	Swenson
Boo	Himle	McGuire	Peterson	Tjornhom
Brown	Hugoson	McPherson	Poppenhagen	Tompkins
Burger	Jacobs	Milbert	Price	Trimble
Carlson, D.	Janezich	Miller	Pugh	Tunheim
Carlson, L.	Jaros	Morrison	Quinn	Uphus
Carruthers	Jefferson	Munger	Redalen	Valento
Clark	Jennings	Murphy	Reding	Vellenga
Conway	Johnson, A.	Nelson, C.	Rest	Wagginus
Cooper	Johnson, R.	Nelson, K.	Rice	Waltman
Dauner	Johnson, V.	Neuenschwander	Richter	Weaver
Dawkins	Kahn	O'Connor	Rodosovich	Welle
Dempsey	Kalis	Ogren	Rukavina	Wenzel
Dille	Kelso	Olsen, S.	Runbeck	Williams
Dorn	Kinkel	Olson, E.	Sarna	Winter
Forsythe	Knickerbocker	Olson, K.	Schafer	Spk. Vanasek

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

Mr. Speaker:

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

H. F. No. 146, A bill for an act relating to the education code; revising the text of certain chapters of the code without changing their meaning; amending Minnesota Statutes 1988, chapters 128; 128A; 128B; and 129; repealing Minnesota Statutes 1988, sections 128.04; 128.06; 128.069; 128A.04; 129.02; and 129.05 to 129.10.

PATRICK E. FLAHAVEN, Secretary of the Senate

CONCURRENCE AND REPASSAGE

Wagenius moved that the House concur in the Senate amend-

ments to H. F. No. 146 and that the bill be repassed as amended by the Senate. The motion prevailed.

H. F. No. 146, A bill for an act relating to the education code; revising the text of certain chapters of the code without changing their meaning; amending Minnesota Statutes 1988, chapters 128; 128A; 128B; and 129; repealing Minnesota Statutes 1988, sections 128.04; 128.06; 128.069; 128A.04; 129.02; and 129.05 to 129.10.

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

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

Those who voted in the affirmative were:

Abrams	Frerichs	Kostohryz	Olson, K.	Schafer
Anderson, G.	Girard	Krueger	Omman	Schreiber
Battaglia	Greenfield	Lasley	Onnen	Seaberg
Bauerly	Gruenes	Lieder	Orenstein	Segal
Beard	Gutknecht	Limmer	Osthoff	Simoneau
Begich	Hartle	Long	Ostrom	Skoglund
Bennett	Hasskamp	Lynch	Otis	Solberg
Bertram	Haukoos	Macklin	Ozment	Sparby
Bishop	Heap	Marsh	Pappas	Stanius
Blatz	Henry	McDonald	Pauly	Steensma
Boo	Himle	McEachern	Pellow	Sviggum
Brown	Hugoson	McGuire	Pelowski	Swenson
Burger	Jacobs	McLaughlin	Peterson	Tjornhom
Carlson, D.	Janezich	McPherson	Poppenhagen	Tompkins
Carlson, L.	Jaros	Milbert	Price	Trimble
Carruthers	Jefferson	Miller	Pugh	Tunheim
Clark	Jennings	Morrison	Quinn	Uphus
Conway	Johnson, A.	Munger	Redalen	Valento
Cooper	Johnson, R.	Murphy	Reding	Vellenga
Dauner	Johnson, V.	Nelson, C.	Rest	Wagenius
Dawkins	Kahn	Nelson, K.	Rice	Waltman
Dempsey	Kalis	Neuenschwander	Richter	Weaver
Dille	Kelly	O'Connor	Rodosovich	Welle
Dorn	Kelso	Ogren	Rukavina	Wenzel
Forsythe	Kinkel	Olsen, S.	Runbeck	Williams
Frederick	Knickerbocker	Olson, E.	Sarna	Winter
				Spk. Vanasek

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

Mr. Speaker:

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

H. F. No. 1502, A bill for an act relating to education; extending

the authority of Pine Point experimental school; amending Minnesota Statutes 1988, sections 128B.09 and 128B.10.

PATRICK E. FLAHAVEN, Secretary of the Senate

CONCURRENCE AND REPASSAGE

Poppenhagen moved that the House concur in the Senate amendments to H. F. No. 1502 and that the bill be repassed as amended by the Senate. The motion prevailed.

H. F. No. 1502, A bill for an act relating to education; extending the authority of Pine Point experimental school; requiring the state auditor to audit the records of Pine Point school; requiring the department of education to evaluate continuation of the school; amending Minnesota Statutes 1988, sections 128B.09 and 128B.10.

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

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

Those who voted in the affirmative were:

Abrams	Frerichs	Kostohryz	Olson, K.	Schafer
Anderson, G.	Girard	Krueger	Omann	Schreiber
Battaglia	Greenfield	Lasley	Onnen	Seaberg
Bauerly	Gruenes	Lieder	Orenstein	Segal
Beard	Gutknecht	Limmer	Osthoff	Simoneau
Begich	Hartle	Long	Ostrom	Skoglund
Bennett	Hasskamp	Lynch	Otis	Solberg
Bertram	Haukoos	Macklin	Ozment	Sparby
Bishop	Heap	Marsh	Pappas	Stanius
Blatz	Henry	McDonald	Pauly	Steenasma
Boo	Himle	McEachern	Pellow	Sviggum
Brown	Hugoson	McGuire	Pelowski	Swenson
Burger	Jacobs	McLaughlin	Peterson	Tjornhom
Carlson, D.	Janezich	McPherson	Poppenhagen	Tompkins
Carlson, L.	Jaros	Milbert	Price	Trimble
Carruthers	Jefferson	Miller	Pugh	Tunheim
Clark	Jennings	Morrison	Quinn	Uphus
Conway	Johnson, A.	Munger	Redalen	Valento
Cooper	Johnson, R.	Murphy	Reding	Vellenga
Dauner	Johnson, V.	Nelson, C.	Rest	Wagenius
Dawkins	Kahn	Nelson, K.	Rice	Waltman
Dempsey	Kalis	Neuenschwander	Richter	Weaver
Dille	Kelly	O'Connor	Rodosovich	Welle
Dorn	Kelso	Ogren	Rukavina	Wenzel
Forsythe	Kinkel	Olsen, S.	Runbeck	Williams
Frederick	Knickerbocker	Olson, E.	Sarna	Winter
				Spk. Vanasek

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

Mr. Speaker:

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

H. F. No. 141, A bill for an act relating to education; correcting, clarifying, and changing certain education statutes; amending Minnesota Statutes 1988, sections 120.062, subdivisions 1 and 12; 120.075, subdivision 5; 120.0751, subdivision 6; 120.0752, subdivision 4; 121.88, subdivision 10; 121.904, subdivision 4a; 121.912, subdivision 1; 123.3515, subdivision 9; 123.36, subdivision 13; 123.705, subdivision 1; 124.155, subdivision 2; 124.214, subdivisions 2 and 3; 124.225, subdivisions 1, 4b, 7a, 7b, 8a, 8b, 8i, 8j, 8k, 8l, 10, and by adding a subdivision; 124.2445; 124.245, subdivision 6; 124.575, subdivision 1; 124A.24; 126.22, subdivisions 2 and 3; and 275.125, subdivisions 5b, 5c, 5e, 9, and 11d; Laws 1987, chapter 398, article 6, section 19, subdivision 9.

PATRICK E. FLAHAVEN, Secretary of the Senate

CONCURRENCE AND REPASSAGE

Nelson, K., moved that the House concur in the Senate amendments to H. F. No. 141 and that the bill be repassed as amended by the Senate. The motion prevailed.

H. F. No. 141, A bill for an act relating to education; correcting, clarifying, and changing certain education statutes; amending Minnesota Statutes 1988, sections 120.062, subdivisions 1 and 12; 120.075, subdivision 5; 120.0751, subdivision 6; 120.0752, subdivision 4; 121.904, subdivision 4a; 121.912, subdivision 1; 123.3515, subdivision 9; 123.36, subdivision 13; 123.705, subdivision 1; 124.155, subdivision 2; 124.214, subdivisions 2 and 3; 124.225, subdivisions 1, 4b, 7a, 7b, 8a, 8b, 8i, 8j, 8k, 8l, 10, and by adding a subdivision; 124.2445; 124.245, subdivision 6; 124.575, subdivision 1; 124A.24; 126.22, subdivisions 2 and 3; and 275.125, subdivisions 5b, 5c, 5e, 9, and 11d; Laws 1987, chapter 398, article 6, section 19, subdivision 9.

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

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

Those who voted in the affirmative were:

Abrams	Frerichs	Krueger	Onnen	Segal
Anderson, G.	Girard	Lasley	Orenstein	Simoneau
Anderson, R.	Greenfield	Lieder	Osthoff	Skoglund
Battaglia	Gruenes	Limmer	Ostrom	Solberg
Bauerly	Gutknecht	Long	Otis	Sparby
Beard	Hartle	Lynch	Ozment	Stanius
Begich	Hasskamp	Macklin	Pappas	Steenasma
Bennett	Haukoos	Marsh	Pauly	Sviggum
Bertram	Heap	McDonald	Pellow	Swenson
Bishop	Henry	McEachern	Pelowski	Tjornhom
Blatz	Himle	McGuire	Peterson	Tompkins
Boo	Hugoson	McLaughlin	Poppenhagen	Trimble
Brown	Jacobs	McPherson	Price	Tunheim
Burger	Janezich	Milbert	Pugh	Uphus
Carlson, D.	Jaros	Miller	Quinn	Valento
Carlson, L.	Jefferson	Morrison	Redalen	Vellenga
Carruthers	Jennings	Munger	Reding	Wagemius
Clark	Johnson, A.	Murphy	Rest	Waltman
Conway	Johnson, R.	Nelson, C.	Rice	Weaver
Cooper	Johnson, V.	Nelson, K.	Richter	Welle
Dauner	Kahn	Neuenschwander	Rodosovich	Wenzel
Dawkins	Kalis	O'Connor	Rukavina	Williams
Dempsey	Kelly	Ogren	Runbeck	Winter
Dille	Kelso	Olsen, S.	Sarna	Spk. Vanasek
Dorn	Kinkel	Olson, E.	Schafer	
Forsythe	Knickerbocker	Olson, K.	Schreiber	
Frederick	Kostohryz	Omann	Seaberg	

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

CONSENT CALENDAR

S. F. No. 764, A bill for an act relating to local government; changing conditions for the establishment and operation of special service districts in St. Cloud; amending Laws 1985, chapter 301, sections 5, subdivision 5; 7, subdivision 1; 9; 12; and 13, subdivision 2, and by adding a subdivision; repealing Laws 1985, chapter 301, section 7, 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	Blatz	Dauner	Gruenes	Janezich
Anderson, G.	Boo	Dawkins	Gutknecht	Jaros
Anderson, R.	Brown	Dempsey	Hartle	Jefferson
Battaglia	Burger	Dille	Hasskamp	Jennings
Bauerly	Carlson, D.	Dorn	Haukoos	Johnson, A.
Beard	Carlson, L.	Forsythe	Heap	Johnson, R.
Begich	Carruthers	Frederick	Henry	Johnson, V.
Bennett	Clark	Frerichs	Himle	Kahn
Bertram	Conway	Girard	Hugoson	Kalis
Bishop	Cooper	Greenfield	Jacobs	Kelly

Kelso	Milbert	Ostrom	Rodosovich	Tompkins
Kinkel	Miller	Otis	Rukavina	Trimble
Knickerbocker	Morrison	Ozment	Runbeck	Tunheim
Kostohryz	Munger	Pappas	Sarna	Uphus
Krueger	Murphy	Pauly	Schafer	Valento
Lasley	Nelson, C.	Pellow	Schreiber	Vellenga
Lieder	Nelson, K.	Pelowski	Seaberg	Wagenius
Limmer	Neuenschwander	Peterson	Segal	Waltman
Long	O'Connor	Poppenhagen	Simoneau	Weaver
Lynch	Ogren	Price	Skoglund	Welle
Macklin	Olsen, S.	Pugh	Solberg	Wenzel
Marsh	Olson, E.	Quinn	Sparby	Williams
McDonald	Olson, K.	Redalen	Stanius	Winter
McEachern	Omann	Reding	Steensma	Spk. Vanasek
McGuire	Onnen	Rest	Sviggum	
McLaughlin	Orenstein	Rice	Swenson	
McPherson	Osthoff	Richter	Tjornhom	

The bill was passed and its title agreed to.

S. F. No. 1252, A bill for an act relating to local government; the towns of Crystal Bay, Beaver Bay, and Stony River, the cities of Beaver Bay and Silver Bay, and Unorganized Territory No. 1; permitting the establishment of a medical clinic district; permitting a hospital appropriation by the Cook county board; authorizing the establishment of a Cook county hospital district; adding and removing certain unorganized territory from a St. Louis county hospital district; validating hospital referenda; providing for certain bonded indebtedness of the city of Cook; amending Laws 1988, chapter 645, sections 1, subdivision 1, and by adding a subdivision; and 4.

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

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

Those who voted in the affirmative were:

Abrams	Dauner	Janezich	Macklin	Omann
Anderson, G.	Dawkins	Jaros	Marsh	Onnen
Anderson, R.	Dempsey	Jefferson	McDonald	Orenstein
Battaglia	Dille	Jennings	McEachern	Osthoff
Bauerly	Dorn	Johnson, A.	McGuire	Ostrom
Beard	Forsythe	Johnson, R.	McLaughlin	Otis
Begich	Frederick	Johnson, V.	McPherson	Ozment
Bennett	Frerichs	Kahn	Milbert	Pappas
Bertram	Girard	Kalis	Miller	Pauly
Bishop	Greenfield	Kelly	Morrison	Pellow
Blatz	Gruenes	Kelso	Munger	Pelowski
Boo	Gutknecht	Kinkel	Murphy	Peterson
Brown	Hartle	Knickerbocker	Nelson, C.	Poppenhagen
Burger	Hasskamp	Kostohryz	Nelson, K.	Price
Carlson, D.	Haukoos	Krueger	Neuenschwander	Pugh
Carlson, L.	Heap	Lasley	O'Connor	Quinn
Carruthers	Henry	Lieder	Ogren	Redalen
Clark	Himle	Limmer	Olsen, S.	Reding
Conway	Hugoson	Long	Olson, E.	Rest
Cooper	Jacobs	Lynch	Olson, K.	Rice

Richter	Segal	Sviggum	Valento	Williams
Rodosovich	Simoneau	Swenson	Vellenga	Winter
Rukavina	Skoglund	Tjornhom	Wagenius	Spk. Vanasek
Sarna	Solberg	Tompkins	Waltman	
Schafer	Sparby	Trimble	Weaver	
Schreiber	Stanius	Tunheim	Welle	
Seaberg	Steensma	Uphus	Wenzel	

The bill was passed and its title agreed to.

The following Conference Committee Reports were received:

CONFERENCE COMMITTEE REPORT ON H. F. NO. 456

A bill for an act relating to human rights; allowing results of job evaluation systems as evidence in discrimination actions; amending Minnesota Statutes 1988, sections 43A.05, by adding a subdivision; and 471.997.

May 15, 1989

The Honorable Robert E. Vanasek
Speaker of the House of Representatives

The Honorable Jerome M. Hughes
President of the Senate

We, the undersigned conferees for H. F. No. 456, report that we have agreed upon the items in dispute and recommend as follows:

That the Senate recede from its amendment.

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

House Conferees: DIANE WRAY WILLIAMS, SIDNEY PAULY AND LOREN A. SOLBERG.

Senate Conferees: EMBER D. REICHGOTT, LINDA BERGLIN AND GARY W. LAIDIG.

Williams moved that the report of the Conference Committee on H. F. No. 456 be adopted and that the bill be repassed as amended by the Conference Committee. The motion prevailed.

H. F. No. 456, A bill for an act relating to human rights; allowing results of job evaluation systems as evidence in discrimination

actions; amending Minnesota Statutes 1988, sections 43A.05, by adding a subdivision; and 471.997.

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

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

Those who voted in the affirmative were:

Abrams	Frerichs	Krueger	Onnen	Segal
Anderson, G.	Girard	Lasley	Orenstein	Simoneau
Anderson, R.	Greenfield	Lieder	Osthoff	Skoglund
Battaglia	Gruenes	Limmer	Ostrom	Solberg
Bauerly	Gutknecht	Long	Otis	Sparby
Beard	Hartle	Lynch	Ozment	Stanis
Begich	Hasskamp	Macklin	Pappas	Steensma
Bennett	Haukoos	Marsh	Pauly	Swiggun
Bertram	Heap	McDonald	Pellow	Swenson
Bishop	Henry	McEachern	Pelowski	Tjornhom
Blatz	Himle	McGuire	Peterson	Tompkins
Boo	Hugoson	McLaughlin	Poppenhagen	Trimble
Brown	Jacobs	McPherson	Price	Tunheim
Burger	Janezich	Milbert	Pugh	Uphus
Carlson, D.	Jaros	Miller	Quinn	Valento
Carlson, L.	Jefferson	Morrison	Redalen	Vellenga
Carruthers	Jennings	Munger	Reding	Wagenius
Clark	Johnson, A.	Murphy	Rest	Waltman
Conway	Johnson, R.	Nelson, C.	Rice	Weaver
Cooper	Johnson, V.	Nelson, K.	Richter	Welle
Dauner	Kahn	Neuenschwander	Rodosovich	Wenzel
Dawkins	Kalis	O'Connor	Rukavina	Williams
Dempsey	Kelly	Ogren	Runbeck	Winter
Dille	Kelso	Olsen, S.	Sarna	Wynia
Dorn	Kinkel	Olson, E.	Schafer	Spk. Vanasek
Forsythe	Knickerbocker	Olson, K.	Schreiber	
Frederick	Kostohryz	Omann	Seaberg	

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

CONFERENCE COMMITTEE REPORT ON H. F. NO. 371.

A bill for an act relating to corrections; authorizing the commissioner of corrections to take photographs of juveniles committed to the commissioner for management and law enforcement purposes; amending Minnesota Statutes 1988, section 260.161, subdivision 3.

May 9, 1989

The Honorable Robert E. Vanasek
Speaker of the House of Representatives

The Honorable Jerome M. Hughes
President of the Senate

We, the undersigned conferees for H. F. No. 371, 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. 371 be further amended as follows:

Delete everything after the enacting clause and insert:

“Section 1. Minnesota Statutes 1988, section 260.161, subdivision 3, is amended to read:

Subd. 3. (a) Peace officers' records of children shall be kept separate from records of persons 18 years of age or older and shall not be open to public inspection or their contents disclosed to the public except (1) by order of the juvenile court, or (2) as required by section 126.036, or (3) as authorized under chapter 13; except that traffic investigation reports may be open to inspection by a person who has sustained physical harm or economic loss as a result of the traffic accident. Except as provided in paragraph (c), no photographs of a child taken into custody may be taken without the consent of the juvenile court unless the child is alleged to have violated section 169.121 or 169.129. Any person violating any of the provisions of this subdivision shall be guilty of a misdemeanor.

(b) Nothing in this subdivision prohibits the exchange of information by law enforcement agencies if the exchanged information is pertinent and necessary to the requesting agency in initiating, furthering, or completing a criminal investigation.

(c) The commissioner of corrections may photograph juveniles whose legal custody is transferred to the commissioner. Photographs of juveniles authorized by this paragraph may be used only for institution management purposes and to assist law enforcement agencies to apprehend juvenile offenders. The commissioner shall maintain photographs of juveniles in the same manner as juvenile court records and names under this section.

Sec. 2. Minnesota Statutes 1988, section 332.51, subdivision 3, is amended to read:

Subd. 3. [LIABILITY OF PARENT OR GUARDIAN.] The provisions of Section 540.18 apply to this section, except that recovery is not limited to special damages.

Sec. 3. [EFFECTIVE DATE.]

Section 2 is effective August 1, 1989, and applies to crimes committed on or after that date.”

Delete the title and insert:

“A bill for an act relating to corrections; authorizing the commissioner of corrections to take photographs of juveniles committed to

the commissioner for management and law enforcement purposes; removing certain limitations on parental liability for thefts by minors; amending Minnesota Statutes 1988, sections 260.161, subdivision 3; and 332.51, subdivision 3."

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

House Conferees: SANDY PAPPAS, RANDY C. KELLY AND BILL MACKLIN.

Senate Conferees: JOHN J. MARTY, ALLAN H. SPEAR AND PATRICK D. MCGOWAN.

Pappas moved that the report of the Conference Committee on H. F. No. 371 be adopted and that the bill be repassed as amended by the Conference Committee. The motion prevailed.

H. F. No. 371, A bill for an act relating to corrections; authorizing the commissioner of corrections to take photographs of juveniles committed to the commissioner for management and law enforcement purposes; amending Minnesota Statutes 1988, section 260.161, subdivision 3.

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

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

Those who voted in the affirmative were:

Abrams	Dauner	Janezich	Macklin	Omann
Anderson, G.	Dawkins	Jaros	Marsh	Onnen
Anderson, R.	Dempsey	Jefferson	McDonald	Orenstein
Battaglia	Dille	Jennings	McEachern	Osthoff
Bauerly	Dorn	Johnson, A.	McGuire	Ostrom
Beard	Forsythe	Johnson, R.	McLaughlin	Otis
Begich	Frederick	Johnson, V.	McPherson	Ozment
Bennett	Frerichs	Kahn	Milbert	Pappas
Bertram	Girard	Kalis	Miller	Pauly
Bishop	Greenfield	Kelly	Morrison	Pellow
Blatz	Gruenes	Kelso	Munger	Pelowski
Boo	Gutknecht	Kinkel	Murphy	Peterson
Brown	Hartle	Knickerbocker	Nelson, C.	Poppenhagen
Burger	Hasskamp	Kostohryz	Nelson, K.	Price
Carlson, D.	Haukoos	Krueger	Neuenschwander	Pugh
Carlson, L.	Heap	Lasley	O'Connor	Quinn
Carruthers	Henry	Lieder	Ogren	Redalen
Clark	Himle	Limmer	Olsen, S.	Reding
Conway	Hugoson	Long	Olson, E.	Rest
Cooper	Jacobs	Lynch	Olson, K.	Rice

Richter	Seaberg	Steensma	Uphus	Wenzel
Rodosovich	Segal	Sviggum	Valento	Williams
Rukavina	Simoneau	Swenson	Vellenga	Winter
Runbeck	Skoglund	Tjornhom	Wagenius	Wynia
Sarna	Solberg	Tompkins	Waltman	Spk. Vanasek
Schafer	Sparby	Trimble	Weaver	
Schreiber	Stanius	Tunheim	Welle	

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

There being no objection, the order of business reverted to Messages from the Senate.

MESSAGES FROM THE SENATE

The following message was received from the Senate:

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. 66, A bill for an act relating to gambling; creating a department of gaming; authorizing a state lottery to be conducted by a department of state lottery; creating a division of inspection and enforcement in the department of public safety and providing for its duties; prescribing penalties; appropriating money; amending Minnesota Statutes 1988, sections 10A.01, subdivision 18; 10A.09, subdivision 1; 15.06, subdivision 1; 15A.081, subdivision 1; 43A.08, subdivision 1a; 240.01, by adding subdivisions; 240.02, subdivisions 1 and 2; 240.04, subdivisions 1, 3, and 7; 240.06, subdivisions 3 and 8; 240.07, subdivision 2; 240.08, subdivision 3; 240.21; 240.28; 340A.410, subdivision 5; 349.12, subdivisions 11, 17, 20, and by adding subdivisions; 349.151, subdivisions 1, 2, 4, and 5; 349.16, subdivisions 3 and 4; 349.161, subdivision 4; 349.162, subdivisions 1, 2, 4, and 5; 349.163; 349.18, subdivision 1; 349.19, subdivisions 5 and 6; 349.212; 349.2121, subdivisions 2, 3, 4, 4a, 6, 7, 8, and 10; 349.2122; 349.2125, subdivisions 1, 2, and 3; 349.2127, subdivision 2; 349.213, subdivision 1; 349.214, subdivision 2; 349.22, subdivisions 1 and 3; 541.20; 541.21; 609.75, subdivision 3; 609.76, subdivision 1; 609.761; 626.05, subdivision 2; 626.13; and 626.84, subdivision 1; proposing coding for new law as Minnesota Statutes, chapters 299K; 349A; and 349B; proposing coding for new law in Minnesota Statutes, chapters 240; 245; and 349; repealing Minnesota Statutes 1988, sections 240.02, subdivision 7; 349.151, subdivisions 3 and 5; 349.161, subdivision 7; 349.164, subdivision 5;

349.171; and 349.22, subdivision 4.

PATRICK E. FLAHAVEN, Secretary of the Senate

Quinn moved that the House refuse to concur in the Senate amendments to H. F. No. 66, 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.

The Speaker called Quinn to the Chair.

CONSIDERATION UNDER RULE 1.10

Pursuant to rule 1.10, Anderson, G., requested immediate consideration of H. F. Nos. 878, 391 and 189; S. F. No. 736; H. F. Nos. 121, 235 and 927; S. F. Nos. 997, 1011 and 126; H. F. Nos. 1203, 1418, 42 and 1146; and S. F. No. 139.

H. F. No. 878 was reported to the House.

Rice and Wenzel moved to amend H. F. No. 878, the second engrossment, as follows:

Page 49, line 22, after "pathology" insert "and department of family practice and community health"

The motion prevailed and the amendment was adopted.

Segal moved to amend H. F. No. 878, the second engrossment, as amended, as follows:

Page 6, after line 7, insert:

"Sec. 7. [STUDY; COMPUTERIZED DRIP IRRIGATION SYSTEMS.]

The commissioner of agriculture shall, in cooperation with the University of Minnesota agricultural experiment station, conduct a study on the feasibility of using computerized drip irrigation systems on row crops, truck garden crops, and orchard crops grown in Minnesota.

Page 6, line 8, delete "7" and insert "8"

Page 49, after line 26, insert:

“Sec. 34. [DRIP IRRIGATION STUDY.]

\$5,000 is appropriated from the general fund to the commissioner of agriculture to conduct the study of drip irrigation systems under article 1, section 7.”

Page 49, line 27, delete “34” and insert “35”

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

Ogren and Wenzel moved to amend H. F. No. 878, the second engrossment, as amended, as follows:

Page 49, after line 29, insert:

“ARTICLE 19

WILD RICE LABELING

Section 1. Minnesota Statutes 1988, section 30.49, is amended to read:

30.49 [PADDY GROWN WILD RICE LABELING.]

Subdivision 1. [CULTIVATED WILD RICE.] ~~All~~ (a) Except as provided in paragraph (b), wild rice which containing a portion of wild rice that is planted or cultivated and which is offered for wholesale or retail sale in this state shall must be plainly and conspicuously labeled as either “paddy grown” or as “cultivated” in letters of a size and form prescribed by the commissioner.

(b) Cultivated wild rice sold for international commerce is exempt from this subdivision.

Subd. 2. [NATURAL LAKE OR RIVER WILD RICE.] (a) A package containing only 100 percent natural lake or river wild rice that is offered for sale at wholesale or retail sale in this state may be plainly and conspicuously labeled as “100 percent naturally grown, lake and river harvested” in letters of a size and form prescribed by the commissioner. A package of wild rice labeled “100 percent naturally grown, lake and river harvested” must also contain the license number issued under section 84.152 of the last licensed dealer, if any, who handled the wild rice.

(b) A package that does not contain 100 percent natural lake or river wild rice may not contain a label authorized under paragraph (a).

Subd. 3. [RECORDS.] (a) A person who buys, sells, processes, or markets over 500 pounds of wild rice not for use in packaged blended rice and ready-to-eat rice must maintain the following records and shall submit annual reports on or before December 31 of each year to the commissioners of agriculture and natural resources. A person who buys, sells, processes, or markets wild rice not for use in packaged blended rice and ready-to-eat rice shall provide the department, on demand, relevant information from the records required under this section.

(b) The report must contain:

(1) the date of each transaction;

(2) the quantity of wild rice bought or sold;

(3) an identification of whether the wild rice is cultivated or paddy grown, or whether it is naturally grown lake and river-harvested wild rice;

(4) the names and addresses of the parties of the transaction and the department of natural resources license or permit numbers;

(5) the lot numbers of all the wild rice bought or sold in each transaction; and

(6) documents that track the rice, by lot number, through processing and the assignment of a final lot number on the finished product offered for distribution or sale in Minnesota.

Subd. 4. [FAIR PACKAGING AND LABELING.] Natural lake and river-harvested wild rice from public waters and cultivated or paddy grown wild rice are separate and distinct ingredients under the fair packaging and labeling provisions of section 31.103.

Subd. 5. [MISBRANDING RELATING TO INDIAN HARVESTED OR PROCESSED.] A wild rice label that implies the wild rice is harvested or processed by Indians is misbranded unless the package contains only 100 percent natural lake or river wild rice.

Subd. 6. [PACKAGED BLENDED RICE AND READY-TO-EAT RICE.] A package containing a blend of wild rice and at least 40 percent other grains or food products, and puffed or ready-to-eat wild rice, are exempt from this section, except subdivisions 3, 5, and 7.

Subd. 7. [PENALTY.] Any person who sells wild rice at wholesale or retail which is not labeled as required by violates this section is guilty of a misdemeanor.

Sec. 2. [REPEALER.]

Minnesota Statutes 1988, section 84.152, subdivision 5, is repealed.

Sec. 3. [EFFECTIVE DATE.]

Section 1, subdivisions 3, 6, and 7, and section 2 are effective July 1, 1989.

Section 1, subdivisions 1, 2, 4, and 5, are effective January 1, 1990, except that subdivision 5 as it applies to subdivision 6 is effective July 1, 1989."

Amend the title accordingly

Neuenschwander moved to amend the Ogren and Wenzel amendment to H. F. No. 878, the second engrossment, as amended, as follows:

In the Ogren and Wenzel amendment, page 2, line 6, after "buys" delete the comma and insert "or"

Page 2, line 6, after "sells," insert "other than at retail,"

Page 2, line 11, after "buys" delete the comma and insert "or"

Page 2, line 11, after "sells," insert "other than at retail,"

The motion prevailed and the amendment to the amendment was adopted.

The question recurred on the Ogren and Wenzel amendment, as amended, to H. F. No. 878, the second engrossment, as amended. The motion prevailed and the amendment, as amended, was adopted.

Steensma and Wenzel offered an amendment to H. F. No. 878, the second engrossment, as amended.

POINT OF ORDER

Stanius raised a point of order pursuant to rule 3.10 that the Steensma and Wenzel amendment was not in order. Speaker pro tempore Quinn ruled the point of order well taken and the amendment out of order.

Tjornhom moved to amend H. F. No. 878, the second engrossment, as amended, as follows:

Page 11, line 31, after the comma insert "the relative total project costs for using conventional ink versus soy-based ink,"

The motion prevailed and the amendment was adopted.

Anderson, R., was excused while in conference.

Uphus; Marsh; Poppenhagen; Nelson, C., and Jennings offered an amendment to H. F. No. 878, the second engrossment, as amended.

POINT OF ORDER

Wenzel raised a point of order pursuant to rule 3.10 that the Uphus et al amendment was not in order. Speaker pro tempore Quinn ruled the point of order well taken and the amendment out of order.

Valento and Sviggum moved to amend H. F. No. 878, the second engrossment, as amended, as follows:

Pages 48 and 49, delete sections 28, 29, and 30

Renumber the sections in sequence

Correct internal references

Amend the title accordingly

A roll call was requested and properly seconded.

The question was taken on the Valento and Sviggum amendment and the roll was called. There were 52 yeas and 73 nays as follows:

Those who voted in the affirmative were:

Abrams	Gruenes	Limmer	Onnen	Sviggum
Bennett	Gutknecht	Lynch	Ozment	Swenson
Bishop	Hartle	Macklin	Pauly	Tjornhom
Blatz	Haukoos	Marsh	Pellow	Tompkins
Boo	Heap	McDonald	Poppenhagen	Uphus
Burger	Henry	McGuire	Richter	Valento
Carlson, D.	Himle	McPherson	Runbeck	Waltman
Dempsey	Hugoson	Morrison	Schafer	Weaver
Forsythe	Johnson, V.	Ogren	Schreiber	
Frederick	Knickerbocker	Olsen, S.	Seaberg	
Frerichs	Kostohryz	Omann	Stanisus	

Those who voted in the negative were:

Anderson, G.	Battaglia	Bauerly	Beard	Begich
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Bertram	Jacobs	Long	Otis	Solberg
Brown	Janezich	McEachern	Peterson	Sparby
Carlson, L.	Jefferson	Milbert	Price	Steensma
Carruthers	Jennings	Munger	Pugh	Trimble
Clark	Johnson, A.	Murphy	Quinn	Tunheim
Conway	Johnson, R.	Nelson, C.	Reding	Vellenga
Cooper	Kahn	Nelson, K.	Rest	Wagenius
Dauner	Kalis	Neuenschwander	Rice	Welle
Dawkins	Kelly	O'Connor	Rodosovich	Wenzel
Dille	Kelso	Olson, E.	Sarna	Williams
Dorn	Kinkel	Olson, K.	Scheid	Winter
Girard	Krueger	Orenstein	Segal	Spk. Vanasek
Greenfield	Lasley	Osthoff	Simoneau	
Hasskamp	Lieder	Ostrom	Skoglund	

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

Stanius; Pellow; Seaberg; Olsen, S.; Swenson; Valento; Abrams; Blatz; Boo; Limmer; Ozment; Forsythe; Weaver; Pauly; Morrison; Lynch; Macklin; Tompkins; Frerichs and Runbeck offered an amendment to H. F. No. 878, the second engrossment, as amended.

POINT OF ORDER

Sparby raised a point of order pursuant to rule 3.9 that the Stanius et al amendment was not in order. Speaker pro tempore Quinn ruled the point of order well taken and the amendment out of order.

Speaker pro tempore Quinn called Simoneau to the Chair.

Trimble moved to amend H. F. No. 878, the second engrossment, as amended, as follows:

Page 10, after line 10, insert:

“Sec. 5. [31.105] [ARTIFICIAL CHEESE DISCLOSURE.]

Subdivision 1. [CHEESE ADDITIVES AND CHEESE SUBSTITUTES.] A restaurant or retailer of prepared foods must comply with the disclosure requirements of subdivision 2 if:

(1) the restaurant or retailer uses cheese substitutes such as casein in food products that traditionally contain cheese; or

(2) the restaurant or retailer use nondairy additives or extenders in food products that traditionally contain cheese.

Subd. 2. [DISCLOSURE.] A restaurant or retailer required to disclose under subdivision 1 must:

(1) post in a clearly visible manner on or near each customer

entrance to the premises a notice substantially as follows: "NOTICE: ONE OR MORE OF THE PRODUCTS SERVED OR SOLD BY THIS ESTABLISHMENT CONTAIN CHEESE SUBSTITUTES OR NONDAIRY CHEESE ADDITIVES"; or

(2) print on or affix to the menu, menu board or packaging a notice stating that one or more of the products listed in the menu or on the menu board contain cheese substitutes or nondairy cheese additives.

Subd. 3. [EXCEPTIONS.] (a) A restaurant or retailer of prepared foods that serves only cheese free from cheese substitutes or nondairy additives or extenders is exempt from the disclosure requirements of subdivision 2.

(b) A restaurant or retailer of prepared foods that uses only minor quantities of cheese substitutes or nondairy additives or extenders primarily for cosmetic purposes, but does not use cheese substitutes, additives, or extenders as a substantial ingredient in meals or prepared foods is exempt from the disclosure requirements of subdivision 2.

Sec. 6. [31.107] [RULES.]

The commissioner may adopt rules necessary to administer section 5. The rules may include provisions governing the size, location, and wording of disclosure notices."

Renumber the sections in sequence

Correct internal references

Amend the title accordingly

A roll call was requested and properly seconded.

POINT OF ORDER

Stanis raised a point of order pursuant to rule 3.10 that the Trimble amendment was not in order. Speaker pro tempore Simoneau ruled the point of order not well taken and the amendment in order.

The question recurred on the Trimble amendment and the roll was called. There were 58 yeas and 66 nays as follows:

Those who voted in the affirmative were:

Battaglia
Bauerly

Beard
Begich

Bertram
Blatz

Brown
Carlson, L.

Carruthers
Clark

Conway	Kalis	Nelson, K.	Peterson	Trimble
Cooper	Kelly	O'Connor	Quinn	Tunheim
Dawkins	Kelso	Ogren	Rest	Vellenga
Greenfield	Kinkel	Olson, K.	Rukavina	Wagenius
Janezich	Krueger	Omann	Sarna	Welle
Jaros	Long	Orenstein	Scheid	Wenzel
Jefferson	McEachern	Osthoff	Segal	Winter
Johnson, A.	McGuire	Ostrom	Skoglund	Spk. Vanasek
Johnson, R.	Munger	Otis	Solberg	
Kahn	Nelson, C.	Pappas	Steensma	

Those who voted in the negative were:

Abrams	Girard	Kostohryz	Ozment	Schreiber
Bennett	Gruenes	Lasley	Pauly	Seaberg
Bishop	Gutknecht	Limmer	Pellow	Simoneau
Boo	Hartle	Macklin	Pelowski	Sparby
Burger	Hasskamp	Marsh	Poppenhagen	Stanis
Carlson, D.	Haukoos	McDonald	Price	Swiggum
Dauner	Heap	McPherson	Pugh	Swenson
Dempsey	Henry	Milbert	Redalen	Tjornhom
Dille	Himle	Miller	Reding	Tompkins
Dorn	Hugoson	Morrison	Rice	Uphus
Forsythe	Jacobs	Murphy	Richter	Valento
Frederick	Johnson, V.	Olsen, S.	Runbeck	Waltman
Frerichs	Knickerbocker	Onnen	Schafer	Weaver
				Williams

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

Speaker pro tempore Simoneau called Quinn to the Chair.

Schreiber moved to amend H. F. No. 878, the second engrossment, as amended, as follows:

Page 48, line 23, after "PURCHASE" insert "OR REMODELING"

Page 48, line 25, delete "and" and insert "and/or" and delete the second "the" and insert "an"

Page 48, line 26, delete everything after "building"

Page 48, line 27, delete everything before the period

The motion prevailed and the amendment was adopted.

Marsh, Uphus, Kinkel and Poppenhagen offered an amendment to H. F. No. 878, the second engrossment, as amended.

POINT OF ORDER

Wenzel raised a point of order pursuant to rule 3.9 that the Marsh

et al amendment was not in order. Speaker pro tempore Quinn ruled the point of order well taken and the amendment out of order.

H. F. No. 878, A bill for an act relating to agriculture; providing partial premium payment for federal crop insurance; requiring lawn waste containers to be degradable; establishing uniformity with certain federal regulations; requiring the use of soy-oil based inks for printing under certain conditions; providing Minnesota-grown coupons to WIC coupon recipients at test sites; suspending certain noxious weed control practices during drought conditions; providing for development of a community needs assessment model; authorizing an investigation of cheese marketing institutions and practices; establishing a grasshopper control program; creating an agricultural liming materials law; establishing an advisory task force on farm safety; extending the farmer-lender mediation act and clarifying various provisions; extending the date for a report of the team study on low livestock productivity; changing certain requirements for motor vehicle fuel labeling; establishing an agricultural landlord rental incentive program; limiting liability of certain agricultural society board members; setting a dairy industry check-off rate; providing for arbitration of seed claims; providing for purchase of the agriculture department building; authorizing bond sales; regulating wild rice labeling; appropriating money; amending Minnesota Statutes 1988, sections 17.7242, subdivisions 1 and 2; 17.59, by adding a subdivision; 30.49; 31.101; 31.102, subdivision 1; 31.103, subdivision 1; 31.104; 31.11; 38.013; 47.20, subdivision 15; 116O.09, subdivision 5; 239.79, subdivision 2, and by adding a subdivision; 308.12, subdivision 5; 325E.045, subdivision 1, and by adding subdivisions; 500.24, subdivision 6; 550.37, subdivisions 4a, 5, and 7; 580.031; 583.24, subdivision 4; 583.26, subdivision 1; Laws 1983, chapter 215, section 16, as amended; Laws 1986, chapter 398, article 1, section 18, as amended; Laws 1987, chapter 396, article 9, section 1, subdivision 4, as amended; proposing coding for new law in Minnesota Statutes, chapters 16B; 17; 17B; 18; 21; 41B; and 169; repealing Minnesota Statutes 1988, sections 17.7241; 17.4244; 17.7246; and 84.152, subdivision 5.

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

The question was taken on the passage of the bill and the roll was called. There were 125 yeas and 7 nays as follows:

Those who voted in the affirmative were:

Abrams	Bishop	Cooper	Girard	Himle
Anderson, G.	Blatz	Dauner	Greenfield	Hugoson
Battaglia	Boo	Dawkins	Gruenes	Jacobs
Bauerly	Brown	Dempsey	Gutknecht	Janezich
Beard	Carlson, D.	Dille	Hartle	Jaros
Begich	Carruthers	Dorn	Hasskamp	Jefferson
Bennett	Clark	Frederick	Heap	Jennings
Bertram	Conway	Frerichs	Henry	Johnson, A.

Johnson, R.	McDonald	Olson, K.	Reding	Sviggunn
Johnson, V.	McEachern	Omann	Rest	Swenson
Kahn	McGuire	Onnen	Rice	Tjornhom
Kalis	McLaughlin	Orenstein	Richter	Tompkins
Kelly	McPherson	Osthoff	Rodosovich	Trimble
Kelso	Milbert	Ostrom	Rukavina	Tunheim
Kinkel	Miller	Otis	Runbeck	Uphus
Knickerbocker	Morrison	Ozment	Sarna	Vellenga
Kostohryz	Munger	Pappas	Schafer	Wagenius
Krueger	Murphy	Pellow	Scheid	Waltman
Lasley	Nelson, C.	Pelowski	Segal	Weaver
Lieder	Nelson, K.	Peterson	Simoneau	Welle
Limmer	Neuenschwander	Poppenhagen	Skoglund	Wenzel
Long	O'Connor	Price	Solberg	Williams
Lynch	Ogren	Pugh	Sparby	Winter
Macklin	Olsen, S.	Quinn	Stanius	Wynia
Marsh	Olson, E.	Redalen	Steenasma	Spk. Vanasek

Those who voted in the negative were:

Burger	Haukoos	Schreiber	Valento
Forsythe	Pauly	Seaberg	

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

H. F. No. 391, A bill for an act relating to peace officers; providing eligibility for death benefits for certain fire and rescue unit members and other first responders; amending Minnesota Statutes 1988, section 176B.01, subdivision 2.

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

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

Those who voted in the affirmative were:

Abrams	Dempsey	Jennings	McGuire	Otis
Anderson, G.	Dille	Johnson, A.	McLaughlin	Ozment
Battaglia	Dorn	Johnson, R.	McPherson	Pappas
Bauerly	Forsythe	Johnson, V.	Milbert	Pauly
Beard	Frederick	Kahn	Miller	Pellow
Begich	Frerichs	Kalis	Morrison	Pelowski
Bennett	Girard	Kelly	Munger	Peterson
Bertram	Greenfield	Kelso	Murphy	Poppenhagen
Bishop	Gruenes	Kinkel	Nelson, C.	Price
Blatz	Gutknecht	Knickerbocker	Nelson, K.	Pugh
Boo	Hartle	Kostohryz	Neuenschwander	Quinn
Brown	Hasskamp	Krueger	O'Connor	Redalen
Burger	Haukoos	Lasley	Ogren	Reding
Carlson, D.	Heap	Lieder	Olsen, S.	Rest
Carlson, L.	Henry	Limmer	Olson, E.	Rice
Carruthers	Himle	Long	Olson, K.	Richter
Clark	Hugoson	Lynch	Omann	Rodosovich
Conway	Jacobs	Macklin	Onnen	Rukavina
Cooper	Janezich	Marsh	Orenstein	Runbeck
Dauner	Jaros	McDonald	Osthoff	Sarna
Dawkins	Jefferson	McEachern	Ostrom	Schafer

Scheid	Solberg	Tjornhom	Vellenga	Williams
Schreiber	Sparby	Tompkins	Wagenius	Winter
Seaberg	Stanius	Trimble	Waltman	Wynia
Segal	Steensma	Tunheim	Weaver	Spk. Vanasek
Simoneau	Sviggum	Uphus	Welle	
Skoglund	Swenson	Valento	Wenzel	

The bill was passed and its title agreed to.

H. F. No. 189, A bill for an act relating to appropriations; appropriating money for a grant to Kandiyohi county for the George "Pinky" Nelson space center.

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	Girard	Lieder	Osthoff	Simoneau
Anderson, G.	Greenfield	Limmer	Ostrom	Skoglund
Battaglia	Gruenes	Long	Otis	Solberg
Bauerly	Gutknecht	Lynch	Ozment	Sparby
Beard	Hartle	Macklin	Pappas	Stanius
Begich	Hasskamp	Marsh	Pauly	Steensma
Bennett	Haukoos	McDonald	Pellow	Sviggum
Bertram	Heap	McEachern	Pelowski	Swenson
Bishop	Henry	McGuire	Peterson	Tjornhom
Blatz	Himle	McLaughlin	Poppenhagen	Tompkins
Boo	Hugoson	McPherson	Price	Trimble
Brown	Jacobs	Milbert	Pugh	Tunheim
Burger	Janezich	Miller	Quinn	Uphus
Carlson, D.	Jaros	Morrison	Redalen	Valento
Carlson, L.	Jefferson	Munger	Reding	Vellenga
Carruthers	Jennings	Murphy	Rest	Wagenius
Clark	Johnson, R.	Nelson, C.	Rice	Waltman
Conway	Johnson, V.	Nelson, K.	Richter	Weaver
Cooper	Kahn	Neuenschwander	Rodosovich	Welle
Dauner	Kalis	O'Connor	Rukavina	Wenzel
Dawkins	Kelly	Ogren	Runbeck	Williams
Dempsey	Kelso	Olsen, S.	Sarna	Winter
Dille	Kinkel	Olson, E.	Schafer	Wynia
Dorn	Knickerbocker	Olson, K.	Scheid	Spk. Vanasek
Forsythe	Kostohryz	Omann	Schreiber	
Frederick	Krueger	Onnen	Seaberg	
Frerichs	Lasley	Orenstein	Segal	

The bill was passed and its title agreed to.

S. F. No. 736, A bill for an act relating to claims against the state; providing for payment of various claims; appropriating money.

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

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

Those who voted in the affirmative were:

Abrams	Girard	Lasley	Osthoff	Simoneau
Anderson, G.	Greenfield	Lieder	Ostrom	Skoglund
Battaglia	Gruenes	Limmer	Otis	Solberg
Bauerly	Gutknecht	Long	Ozment	Sparby
Beard	Hartle	Lynch	Pappas	Stanius
Begich	Hasskamp	Macklin	Pauly	Steensma
Bennett	Haukoos	Marsh	Pellow	Sviggum
Bertram	Heap	McDonald	Pelowski	Swenson
Bishop	Henry	McEachern	Peterson	Tjornhom
Blatz	Himle	McGuire	Poppenhagen	Tompkins
Boo	Hugoson	McLaughlin	Price	Trimble
Brown	Jacobs	McPherson	Pugh	Tunheim
Burger	Janezich	Milbert	Quinn	Uphus
Carlson, D.	Jaros	Miller	Redalen	Valento
Carlson, L.	Jefferson	Morrison	Reding	Vellenga
Carruthers	Jennings	Murphy	Rest	Wagenius
Clark	Johnson, A.	Nelson, C.	Rice	Waltman
Conway	Johnson, R.	Nelson, K.	Richter	Weaver
Cooper	Johnson, V.	Neuenschwander	Rodosovich	Welle
Dauner	Kahn	O'Connor	Rukavina	Wenzel
Dawkins	Kalis	Ogren	Runbeck	Williams
Dempsey	Kelly	Olsen, S.	Sarna	Winter
Dille	Kelso	Olson, E.	Schafer	Wynia
Dorn	Kinkel	Olson, K.	Scheid	Spk. Vanasek
Forsythe	Knickerbocker	Omann	Schreiber	
Frederick	Kostohryz	Onnen	Seaberg	
Frerichs	Krueger	Orenstein	Segal	

The bill was passed and its title agreed to.

H. F. No. 121, A bill for an act relating to veterans; requiring the commissioner of veterans affairs to provide certain grave markers; appropriating money; amending Minnesota Statutes 1988, section 197.23.

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	Brown	Dille	Haukoos	Johnson, R.
Anderson, G.	Burger	Dorn	Heap	Johnson, V.
Battaglia	Carlson, D.	Forsythe	Henry	Kahn
Bauerly	Carlson, L.	Frederick	Himle	Kalis
Beard	Carruthers	Frerichs	Hugoson	Kelly
Begich	Clark	Girard	Jacobs	Kelso
Bennett	Conway	Greenfield	Janezich	Kinkel
Bertram	Cooper	Gruenes	Jaros	Knickerbocker
Bishop	Dauner	Gutknecht	Jefferson	Kostohryz
Blatz	Dawkins	Hartle	Jennings	Krueger
Boo	Dempsey	Hasskamp	Johnson, A.	Lasley

Lieder	Nelson, K.	Pellow	Schafer	Tunheim
Limmer	Neuenschwander	Pelowski	Scheid	Uphus
Long	O'Connor	Peterson	Schreiber	Valento
Lynch	Ogren	Poppenhagen	Seaberg	Vellenga
Macklin	Olsen, S.	Price	Segal	Wagenius
Marsh	Olson, E.	Pugh	Simoneau	Waltman
McDonald	Olson, K.	Quinn	Skoglund	Weaver
McEachern	Omann	Redalen	Solberg	Welle
McGuire	Onnen	Reding	Sparby	Wenzel
McLaughlin	Orenstein	Rest	Stanisus	Williams
McPherson	Osthoff	Rice	Steenmsa	Winter
Milbert	Ostrom	Richter	Sviggum	Wynia
Miller	Otis	Rodosovich	Swenson	Spk. Vanasek
Morrison	Ozment	Rukavina	Tjornhom	
Munger	Pappas	Runbeck	Tompkins	
Nelson, C.	Pauly	Sarna	Trimble	

The bill was passed and its title agreed to.

H. F. No. 235, A bill for an act relating to human services; authorizing counties to establish multidisciplinary chemical abuse prevention teams; authorizing the state planning agency to fund these teams in several counties on a demonstration basis; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 254A.

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	Gruenes	Long	Ozment	Stanisus
Anderson, G.	Gutknecht	Lynch	Pappas	Steenmsa
Battaglia	Hartle	Macklin	Pauly	Sviggum
Bauerly	Hasskamp	Marsh	Pellow	Swenson
Beard	Haukoos	McDonald	Pelowski	Tjornhom
Begich	Heap	McEachern	Peterson	Tompkins
Bennett	Henry	McGuire	Poppenhagen	Trimble
Bertram	Himle	McLaughlin	Price	Tunheim
Bishop	Hugoson	McPherson	Pugh	Uphus
Blatz	Jacobs	Milbert	Quinn	Valento
Boo	Janezich	Miller	Redalen	Vellenga
Brown	Jaros	Morrison	Reding	Wagenius
Burger	Jefferson	Munger	Rest	Waltman
Carlson, D.	Jennings	Murphy	Rice	Weaver
Carlson, L.	Johnson, A.	Nelson, C.	Richter	Welle
Carruthers	Johnson, R.	Nelson, K.	Rodosovich	Wenzel
Clark	Johnson, V.	Neuenschwander	Rukavina	Williams
Conway	Kahn	O'Connor	Runbeck	Winter
Cooper	Kalis	Ogren	Sarna	Wynia
Dauner	Kelly	Olsen, S.	Schafer	Spk. Vanasek
Dawkins	Kelso	Olson, E.	Scheid	
Dempsey	Kinkel	Olson, K.	Schreiber	
Dille	Knickerbocker	Omann	Seaberg	
Dorn	Kostohryz	Onnen	Segal	
Forsythe	Krueger	Orenstein	Simoneau	
Frederick	Lasley	Osthoff	Skoglund	
Frerichs	Lieder	Ostrom	Solberg	
Greenfield	Limmer	Otis	Sparby	

The bill was passed and its title agreed to.

H. F. No. 927, A bill for an act relating to traffic regulations; defining terms; subjecting driver of commercial motor vehicle to stricter federal standard on alcohol-related driving; providing for and regulating category of commercial driver's license and commercial motor vehicle drivers; authorizing Minnesota to join driver license compact; allowing exchange of driver license information with other states; promoting consolidated, complete driver record; imposing penalties; appropriating money; amending Minnesota Statutes 1988, sections 168.011, subdivision 9; 169.01, subdivision 50, and by adding a subdivision; 169.123, subdivisions 1, 2, 4, 5, 5a, 5b, 5c, and 6; 171.01, subdivision 19, and by adding subdivisions; 171.02, subdivision 2; 171.03; 171.04; 171.06, subdivisions 2 and 3; 171.07, by adding a subdivision; 171.10, subdivision 2; 171.12, subdivision 2; 171.13, subdivision 5; 171.14; 171.16, subdivision 1; 171.18; 171.20; 171.22, subdivision 1; 171.24; and 171.30, subdivision 3; proposing coding for new law in Minnesota Statutes, chapters 169 and 171.

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

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

Those who voted in the affirmative were:

Abrams	Frerichs	Kostohryz	Omann	Scheid
Anderson, G.	Girard	Krueger	Onnen	Schreiber
Battaglia	Greenfield	Lasley	Orenstein	Seaberg
Bauerly	Gruenes	Lieder	Osthoff	Segal
Beard	Gutknecht	Limmer	Ostrom	Simoneau
Begich	Hartle	Long	Otis	Skoglund
Bennett	Hasskamp	Lynch	Ozment	Solberg
Bertram	Haukoos	Macklin	Pappas	Sparby
Bishop	Heap	Marsh	Pauly	Stanius
Blatz	Henry	McDonald	Pellow	Steensma
Boo	Himle	McEachern	Pelowski	Sviggum
Brown	Huguson	McGuire	Peterson	Swenson
Burger	Jacobs	McPherson	Poppenhagen	Tjornhom
Carlson, D.	Janezich	Milbert	Price	Tompkins
Carlson, L.	Jaros	Miller	Pugh	Trimble
Carruthers	Jefferson	Morrison	Quinn	Tunheim
Clark	Jennings	Munger	Redalen	Uphus
Conway	Johnson, A.	Murphy	Reding	Valento
Cooper	Johnson, R.	Nelson, C.	Rest	Vellenga
Dauner	Johnson, V.	Nelson, K.	Rice	Wagenius
Dawkins	Kahn	Neuenschwander	Richter	Waltman
Dempsey	Kalis	O'Connor	Rodosovich	Weaver
Dille	Kelly	Ogren	Rukavina	Welle
Dorn	Kelso	Olsen, S.	Runbeck	Wenzel
Forsythe	Kinkel	Olson, E.	Sarna	Williams
Frederick	Knickerbocker	Olson, K.	Schafer	Winter
				Wynia
				Spk. Vanasek

The bill was passed and its title agreed to.

S. F. No. 997, A bill for an act relating to the environment; authorizing the pollution control agency to assist persons in reviewing real property for petroleum tank releases and to be paid for such assistance; authorizing expenditures from the petroleum tank release compensation fund; changing the terms for reimbursement of petroleum tank release costs by the petroleum tank release compensation board; requiring notification by owners of aboveground tanks; amending Minnesota Statutes 1988, sections 115C.03, by adding a subdivision; 115C.08, subdivision 4; 115C.09; and 116.48.

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	Girard	Lasley	Orenstein	Segal
Anderson, G.	Greenfield	Lieder	Osthoff	Simoneau
Battaglia	Gruenes	Limmer	Ostrom	Skoglund
Bauerly	Gutknecht	Long	Otis	Solberg
Beard	Hartle	Lynch	Ozment	Sparby
Begich	Hasskamp	Macklin	Pappas	Stanius
Bennett	Haukoos	Marsh	Pauly	Steensma
Bertram	Heap	McDonald	Pellow	Sviggum
Bishop	Henry	McEachern	Pelowski	Swenson
Blatz	Himle	McGuire	Peterson	Tjornhom
Boo	Hugoson	McLaughlin	Poppenhagen	Tompkins
Brown	Jacobs	McPherson	Price	Trimble
Burger	Janezich	Milbert	Pugh	Tunheim
Carlson, D.	Jaros	Miller	Quinn	Uphus
Carlson, L.	Jefferson	Morrison	Redalen	Valento
Carruthers	Jennings	Munger	Reding	Vellenga
Clark	Johnson, A.	Murphy	Rest	Wagenius
Conway	Johnson, R.	Nelson, C.	Rice	Waltman
Cooper	Johnson, V.	Nelson, K.	Richter	Weaver
Dauner	Kahn	Neuenschwander	Rodosovich	Welle
Dawkins	Kalis	O'Connor	Rukavina	Wenzel
Dempsey	Kelly	Ogren	Runbeck	Williams
Dille	Kelso	Olsen, S.	Sarna	Winter
Dorn	Kinkel	Olson, E.	Schafer	Wynia
Forsythe	Knickerbocker	Olson, K.	Scheid	Spk. Vanasek
Frederick	Kostohryz	Omamm	Schreiber	
Frerichs	Krueger	Onnen	Seaberg	

The bill was passed and its title agreed to.

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

Speaker pro tempore Quinn called Anderson, G., to the Chair:

S. F. No. 1011, A bill for an act relating to highways; redesignating

the AMVETS memorial highway as the American Veterans Memorial Highway; amending Minnesota Statutes 1988, section 161.14, subdivision 23.

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	Girard	Lieder	Osthoff	Simoneau
Anderson, G.	Greenfield	Limmer	Ostrom	Skoglund
Battaglia	Gruenes	Long	Otis	Solberg
Bauerly	Gutknecht	Lynch	Ozment	Sparby
Beard	Hartle	Macklin	Pappas	Stanius
Begich	Hasskamp	Marsh	Pauly	Steenasma
Bennett	Haukoos	McDonald	Pellow	Sviggum
Bertram	Heap	McEachern	Pelowski	Swenson
Bishop	Henry	McGuire	Peterson	Tjornhom
Blatz	Himle	McLaughlin	Poppenhagen	Tompkins
Boo	Hugoson	McPherson	Price	Trimble
Brown	Jacobs	Milbert	Pugh	Tunheim
Burger	Janezich	Miller	Quinn	Uphus
Carlson, D.	Jaros	Morrison	Redalen	Valento
Carlson, L.	Jefferson	Munger	Reding	Vellenga
Carruthers	Jennings	Murphy	Rest	Wagenius
Clark	Johnson, A.	Nelson, C.	Rice	Waltman
Conway	Johnson, R.	Nelson, K.	Richter	Weaver
Cooper	Johnson, V.	Neuenschwander	Rodosovich	Welle
Dauner	Kahn	O'Connor	Rukavina	Wenzel
Dawkins	Kalis	Ogren	Runbeck	Williams
Dempsey	Kelly	Olsen, S.	Sarna	Winter
Dille	Kelso	Olson, E.	Schafer	Wynia
Dorn	Kinkel	Olson, K.	Scheid	Spk. Vanasek
Forsythe	Kostohryz	Omann	Schreiber	
Frederick	Krueger	Onnen	Seaberg	
Frerichs	Lasley	Orenstein	Segal	

The bill was passed and its title agreed to.

S. F. No. 126, A bill for an act relating to traffic regulations; providing for suspension of driver's license of certain persons failing to appear in court; setting a fee; amending Minnesota Statutes 1988, sections 169.92; 171.01, subdivision 13; and 171.20, subdivision 4.

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

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

Those who voted in the affirmative were:

Abrams	Anderson, G.	Battaglia	Bauerly	Beard
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Begich	Gutknecht	Limmer	Orenstein	Schreiber
Bennett	Hartle	Long	Osthoff	Seaberg
Bertram	Hasskamp	Lynch	Ostrom	Segal
Bishop	Haukoos	Macklin	Otis	Simoneau
Blatz	Heap	Marsh	Ozment	Skoglund
Boo	Henry	McDonald	Pappas	Solberg
Brown	Himle	McEachern	Pauly	Sparby
Burger	Hugoson	McGuire	Pellow	Stanius
Carlson, D.	Jacobs	McLaughlin	Pelowski	Steensma
Carlson, L.	Janezich	McPherson	Peterson	Sviggum
Carruthers	Jaros	Milbert	Poppenhagen	Swenson
Clark	Jefferson	Miller	Price	Tjornhom
Conway	Jennings	Morrison	Pugh	Trimble
Cooper	Johnson, A.	Munger	Quinn	Tunheim
Dauner	Johnson, R.	Murphy	Kedalen	Uphus
Dawkins	Johnson, V.	Nelson, C.	Reding	Valento
Dempsey	Kahn	Nelson, K.	Rest	Vellenga
Dille	Kalis	Neuenschwander	Rice	Wagenius
Dorn	Kelly	O'Connor	Richter	Waltman
Forsythe	Kelso	Ogren	Rodosovich	Weaver
Frederick	Kinkel	Olsen, S.	Rukavina	Welle
Frerichs	Kostohryz	Olson, E.	Runbeck	Wenzel
Girard	Krueger	Olson, K.	Sarna	Williams
Greenfield	Lasley	Omann	Schafer	Winter
Gruenes	Lieder	Onnen	Scheid	Wynia
				Spk. Vanasek

The bill was passed and its title agreed to.

H. F. No. 1203, A bill for an act relating to nonprofit corporations; providing for the organization, operation, and dissolution of nonprofit corporations; imposing penalties; amending Minnesota Statutes 1988, sections 8.31, subdivision 1; 79A.09, subdivision 1; 257.03; 309.67; 319A.20; 354A.021, subdivision 2; and 469.144, subdivision 1; proposing coding for new law as Minnesota Statutes, chapter 317A; repealing Minnesota Statutes 1988, sections 317.01 to 317.69.

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	Carlson, D.	Girard	Jefferson	Lieder
Anderson, G.	Carlson, L.	Greenfield	Jennings	Limmer
Battaglia	Carruthers	Gruenes	Johnson, A.	Long
Bauerly	Clark	Gutknecht	Johnson, R.	Lynch
Beard	Conway	Hartle	Johnson, V.	Macklin
Begich	Cooper	Hasskamp	Kahn	Marsh
Bennett	Dawkins	Haukoos	Kalis	McDonald
Bertram	Dempsey	Heap	Kelly	McEachern
Bishop	Dille	Henry	Kelso	McGuire
Blatz	Dorn	Himle	Kinkel	McLaughlin
Boo	Forsythe	Hugoson	Kostohryz	McPherson
Brown	Frederick	Jacobs	Krueger	Milbert
Burger	Frerichs	Janezich	Lasley	Miller

Morrison	Orenstein	Quinn	Segal	Uphus
Munger	Osthoff	Redalen	Simoneau	Valento
Murphy	Ostrom	Reding	Skoglund	Vellenga
Nelson, C.	Otis	Rest	Solberg	Wagenius
Nelson, K.	Ozment	Rice	Sparby	Waltman
Neuenschwander	Pappas	Richter	Stanius	Weaver
O'Connor	Pauly	Rodosovich	Steensma	Welle
Ogren	Pellow	Runbeck	Sviggum	Wenzel
Olsen, S.	Pelowski	Sarna	Swenson	Williams
Olson, E.	Peterson	Schafer	Tjornhom	Wynia
Olson, K.	Poppenhagen	Scheid	Tompkins	Spk. Vanasek
Omann	Price	Schreiber	Trimble	
Onnen	Pugh	Seaberg	Tunheim	

The bill was passed and its title agreed to.

H. F. No. 1418 was reported to the House.

Onnen moved to amend H. F. No. 1418, the first engrossment, as follows:

Page 1, line 6, delete "ST. PAUL"

Page 1, line 10, delete "St. Paul"

Amend the title as follows:

Page 1, line 3, delete "St. Paul"

The motion prevailed and the amendment was adopted.

H. F. No. 1418, A bill for an act relating to appropriations; appropriating money to evaluate the national indoor sports training center.

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

The question was taken on the passage of the bill and the roll was called. There were 120 yeas and 8 nays as follows:

Those who voted in the affirmative were:

Abrams	Brown	Dempsey	Heap	Johnson, R.
Anderson, G.	Burger	Dille	Henry	Johnson, V.
Battaglia	Carlson, D.	Dorn	Himle	Kahn
Bauerly	Carlson, L.	Forsythe	Hugoson	Kelly
Beard	Carruthers	Frederick	Jacobs	Kelso
Bennett	Clark	Girard	Janezich	Kinkel
Bertram	Conway	Greenfield	Jaros	Kostohryz
Bishop	Cooper	Gutknecht	Jefferson	Krueger
Blatz	Dauner	Hartle	Jennings	Lasley
Boo	Dawkins	Hasskamp	Johnson, A.	Lieder

Limmer	Nelson, K.	Pauly	Runbeck	Tompkins
Long	Neuenschwander	Pellow	Sarna	Trimble
Lynch	O'Connor	Pelowski	Schafer	Tunheim
Macklin	Ogren	Peterson	Scheid	Valento
Marsh	Olsen, S.	Poppenhagen	Schreiber	Vellenga
McDonald	Olson, E.	Price	Seaberg	Wagenius
McEachern	Omann	Pugh	Segal	Waltman
McGuire	Onnen	Quinn	Simoneau	Weaver
McLaughlin	Orenstein	Redalen	Skoglund	Welle
McPherson	Osthoff	Reding	Solberg	Wenzel
Milbert	Ostrom	Rest	Sparby	Williams
Morrison	Otis	Rice	Stanius	Winter
Murphy	Ozment	Rodosovich	Steenasma	Wynia
Nelson, C.	Pappas	Rukavina	Swenson	Spk. Vanasek

Those who voted in the negative were:

Frerichs	Haukoos	Olson, K.	Tjornhom
Gruenes	Miller	Sviggum	Uphus

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

The Speaker resumed the Chair.

H. F. No. 42, A bill for an act relating to economic development; permitting state agencies and local jurisdictions to invest in a working capital fund; proposing coding for new law in Minnesota Statutes, chapters 16B, 161, 471, and 473.

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	Dempsey	Jennings	McLaughlin	Ozment
Anderson, G.	Dille	Johnson, A.	McPherson	Pappas
Battaglia	Dorn	Johnson, R.	Milbert	Pauly
Bauerly	Forsythe	Johnson, V.	Miller	Pellow
Beard	Frederick	Kahn	Morrison	Pelowski
Begich	Frerichs	Kalis	Munger	Peterson
Bennett	Girard	Kelly	Murphy	Poppenhagen
Bertram	Greenfield	Kelso	Nelson, C.	Price
Bishop	Gruenes	Kinkel	Nelson, K.	Pugh
Blatz	Gutknecht	Kostohryz	Neuenschwander	Quinn
Boo	Hartle	Krueger	O'Connor	Redalen
Brown	Hasskamp	Lasley	Ogren	Reding
Burger	Haukoos	Lieder	Olsen, S.	Rest
Carlson, D.	Heap	Limmer	Olson, E.	Rice
Carlson, L.	Henry	Long	Olson, K.	Richter
Carruthers	Himle	Lynch	Omann	Rodosovich
Clark	Hugoson	Macklin	Onnen	Rukavina
Conway	Jacobs	Marsh	Orenstein	Runbeck
Cooper	Janezich	McDonald	Osthoff	Sarna
Dauner	Jaros	McEachern	Ostrom	Schafer
Dawkins	Jefferson	McGuire	Otis	Scheid

Schreiber	Sparby	Tompkins	Wagenius	Winter
Seaberg	Stanius	Trimble	Waltman	Wynia
Segal	Steensma	Tunheim	Weaver	Spk. Vanasek
Simoneau	Sviggum	Uphus	Welle	
Skoglund	Swenson	Valento	Wenzel	
Solberg	Tjornhom	Vellenga	Williams	

The bill was passed and its title agreed to.

H. F. No. 1146, A bill for an act relating to traffic regulations; dedicating seat belt violation fines to emergency medical services relief account; amending Minnesota Statutes 1988, section 169.686, subdivision 3.

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

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

Those who voted in the affirmative were:

Abrams	Girard	Lieder	Osthoff	Simoneau
Anderson, G.	Greenfield	Limmer	Ostrom	Skoglund
Battaglia	Gruenes	Long	Otis	Solberg
Bauerly	Gutknecht	Lynch	Ozment	Sparby
Beard	Hartle	Macklin	Pappas	Stanius
Begich	Hasskamp	Marsh	Pauly	Steensma
Bennett	Haukoos	McDonald	Pellow	Sviggum
Bertram	Heap	McEachern	Pelowski	Swenson
Bishop	Henry	McGuire	Peterson	Tjornhom
Blatz	Himle	McLaughlin	Poppenhagen	Tompkins
Boo	Hugoson	McPherson	Price	Trimble
Brown	Jacobs	Milbert	Pugh	Tunheim
Burger	Janezich	Miller	Quinn	Uphus
Carlson, D.	Jaros	Morrison	Redalen	Valento
Carlson, L.	Jefferson	Munger	Reding	Vellenga
Carruthers	Jennings	Murphy	Rest	Wagenius
Clark	Johnson, A.	Nelson, C.	Rice	Waltman
Conway	Johnson, R.	Nelson, K.	Richter	Weaver
Cooper	Johnson, V.	Neuenschwander	Rodosovich	Welle
Dauner	Kahn	O'Connor	Rukavina	Wenzel
Dawkins	Kalis	Ogren	Runbeck	Williams
Dempsey	Kelly	Olsen, S.	Sarna	Winter
Dille	Kelso	Olson, E.	Schafer	Wynia
Dorn	Kinkel	Olson, K.	Scheid	Spk. Vanasek
Forsythe	Kostohryz	Omann	Schreiber	
Frederick	Krueger	Onnen	Seaberg	
Frerichs	Lasley	Orenstein	Segal	

The bill was passed and its title agreed to.

S. F. No. 139 was reported to the House.

Bishop and Johnson, A., moved to amend S. F. No. 139, the unofficial engrossment, as follows:

Page 9, after line 5, insert:

“Sec. 12. Minnesota Statutes 1988, section 171.06, subdivision 3, is amended to read:

Subd. 3. [CONTENTS OF APPLICATION.] Every application shall state the full name, date of birth, sex and residence address of the applicant, a description of the applicant in such manner as the commissioner may require, and shall state whether or not the applicant has theretofore been licensed as a driver; and, if so, when and by what state or country and whether any such license has ever been suspended or revoked, or whether an application has ever been refused; and, if so, the date of and reason for such suspension, revocation, or refusal, together with such facts pertaining to the applicant and the applicant's ability to operate a motor vehicle with safety as may be required by the commissioner. The application form shall contain a notification to the applicant of the availability of the donor document provided pursuant to section 171.07, subdivision 5, and shall contain spaces where the applicant must indicate a desire to receive or not to receive the donor document. The application form shall contain a notification to the applicant of the availability of a living will identifier on the license under section 171.07, subdivision 7. The application shall be in the form prepared by the commissioner.

The application form must be accompanied by a pamphlet containing relevant facts relating to:

- (1) the effect of alcohol on driving ability;
- (2) the effect of mixing alcohol with drugs;
- (3) the laws of Minnesota relating to operation of a motor vehicle while under the influence of alcohol or a controlled substance; and
- (4) the levels of alcohol-related fatalities and accidents in Minnesota and of arrests for alcohol-related violations.

Sec. 13. Minnesota Statutes 1988, section 171.07, is amended by adding a subdivision to read:

Subd. 7. [LIVING WILL DESIGNATION.] At the written request of the applicant and on payment of the required license or card fees, the department shall issue a driver's license or Minnesota identification card bearing the identifier "LW" to indicate that the applicant has a living will or declaration as defined in Laws 1989, chapter 3, section 2.

At the request of the applicant, the department shall issue a

replacement or renewal license or identification card deleting the identifier "LW" on payment of the required license or card fees.

Sec. 14. Laws 1989, chapter 3, section 2, subdivision 2, is amended to read:

Subd. 2. [DECLARATION; LIVING WILL.] "Declaration" or "living will" means a writing made according to section 3.

Renumber the sections in sequence

Correct internal references

Amend the title accordingly

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

S. F. No. 139, A bill for an act relating to liquor; increasing age for provisional driver's license to 21 years; changing provisional licenses to "under-21" licenses; prohibiting the issuance of both a Minnesota identification card and a driver's license, other than an instruction permit, to the same person; providing for fees; providing for license suspension for minors misrepresenting their age for purposes of purchasing alcoholic beverages; providing penalty for misuse of Minnesota identification card; increasing the period for suspension of a drivers license for use of a license to illegally purchase alcohol; including other forms of identification and persons who lend identification; increasing the penalty for counterfeiting a drivers license or Minnesota identification card; prohibiting lending any form of identification for use by an underage person to purchase alcohol; clarifying the application of the carding defense for illegal sales; providing for transfer of confiscated identification; amending Minnesota Statutes 1988, sections 171.02, subdivisions 1 and 3; 171.06, subdivision 2; 171.07, subdivisions 1 and 3; 171.171; 171.22; 171.27; 260.195, subdivision 3; 340A.503, subdivisions 2 and 6; and 340A.801, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapter 340A.

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	Beard	Bishop	Burger	Clark
Anderson, G.	Begich	Blatz	Carlson, D.	Conway
Battaglia	Bennett	Boo	Carlson, L.	Cooper
Bauerly	Bertram	Brown	Carruthers	Dauner

Dawkins	Johnson, A.	Miller	Peterson	Stanius
Dempsey	Johnson, R.	Morrison	Poppenhagen	Steensma
Dille	Johnson, V.	Munger	Price	Swiggun
Dorn	Kahn	Murphy	Pugh	Swenson
Forsythe	Kalis	Nelson, C.	Quinn	Tjornhom
Frederick	Kelly	Nelson, K.	Redalen	Tompkins
Frerichs	Kelso	Neuenschwander	Reding	Trimble
Girard	Kinkel	O'Connor	Rest	Tunheim
Greenfield	Kostohryz	Ogren	Rice	Uphus
Gruenes	Krueger	Olsen, S.	Richter	Valento
Gutknecht	Lasley	Olson, E.	Rodosovich	Vellenga
Hartle	Lieder	Olson, K.	Rukavina	Wagenius
Hasskamp	Limmer	Omann	Runbeck	Waltman
Haukoos	Long	Onnen	Sarna	Weaver
Heap	Lynch	Orenstein	Schafer	Welle
Henry	Macklin	Osthoff	Scheid	Wenzel
Himle	Marsh	Ostrom	Schreiber	Williams
Hugoson	McDonald	Otis	Seaberg	Winter
Jacobs	McEachern	Ozment	Segal	Wynia
Janezich	McGuire	Pappas	Simoneau	Spk. Vanasek
Jaros	McLaughlin	Pauly	Skoglund	
Jefferson	McPherson	Pellow	Solberg	
Jennings	Milbert	Pelowski	Sparby	

The bill was passed and its title agreed to.

There being no objection, the order of business reverted to Reports of Standing Committees.

REPORTS OF STANDING COMMITTEES

Anderson, G., from the Committee on Appropriations to which was referred:

H. F. No. 534, A bill for an act relating to groundwater; establishing best management practices and water resources protection requirements; regulating pollution limits; changing various requirements and procedures concerning fertilizer, soil amendments, and plant amendments; requiring a study of sustainable agriculture; changing certain pesticide laws; requiring a pesticide management plan; providing for responses to pesticide and fertilizer incidents; establishing a safe drinking water account; imposing an annual fee; reorganizing and revising laws on water wells, exploratory boring, and elevator shafts; establishing a water information committee; providing for local water resources protection and management; establishing water appropriation priorities; establishing a legislative commission on water; appropriating money; amending Minnesota Statutes 1988, sections 17.713; 17.714, subdivisions 1, 3, 6, and by adding a subdivision; 17.715, subdivisions 1, 2, 4, and by adding subdivisions; 17.7155; 17.716, subdivisions 1, 2, and 4; 17.717; 17.718; 17.719, subdivisions 1, 2, 3, 4, and by adding subdivisions; 17.72; 17.721, by adding a subdivision; 17.722; 17.723; 17.725, subdivision 2, and by adding subdivisions; 17.728, subdivision 1, and by adding subdivisions; 17.7285; 17.73, subdivisions 3 and 5;

18B.01, subdivisions 5, 12, 15, 19, 21, 23, 26, 30, and by adding subdivisions; 18B.04; 18B.07, subdivisions 2, 3, 4, 5, 6, and 7; 18B.08, subdivisions 1, 3, and 4; 18B.15; 18B.17, subdivision 2; 18B.18; 18B.20, by adding a subdivision; 18B.21; 18B.26, subdivisions 1, 3, 5, and by adding a subdivision; 18B.31, subdivisions 3 and 5; 18B.32, subdivision 2; 18B.33, subdivisions 1, 3, and 7; 18B.34, subdivisions 1, 2, and 5; 18B.36; 18B.37, subdivisions 1, 2, 3, and 4; 43A.08, subdivision 1; 105.41, subdivision 1a; 105.418; 110B.35, subdivision 3; 115.093, subdivision 5; 116C.40, by adding subdivisions; 116C.41, subdivision 1; 116E.02, subdivision 1; 116E.03, subdivision 9; 156A.01; 156A.02; 156A.03; 156A.05; 156A.06; 156A.071; 156A.075; 156A.08; 326.37; and 604.02, subdivision 1; proposing coding for new law as Minnesota Statutes, chapters 110C and 115D; proposing coding for new law in Minnesota Statutes, chapters 3; 17; 18B; 105; 115; 116C; 116E; 144; and 156A; repealing Minnesota Statutes 1988, sections 17.714, subdivisions 4, 4a, and 4b; 17.715, subdivision 3; 17.721; 17.726; 17.727; 17.728, subdivisions 4 and 5; 17.729; 17.73, subdivision 5, paragraph (d); 18B.16; 18B.19; 18B.20, subdivision 6; 156A.02, subdivision 3; 156A.031; 156A.04; 156A.07; 156A.10; and 156A.11.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"ARTICLE 1

PROTECTION OF GROUNDWATER

Section 1. [115D.01] [GOAL; PREVENTION OF GROUNDWATER DEGRADATION.]

It is the goal of the state that groundwater be maintained in its natural condition, free from any degradation caused by human activities. It is recognized that for some human activities this nondegradation goal cannot be practicably achieved. However, where prevention is practicable, it is intended that it be achieved. Where it is not currently practicable, the development of methods and technology that will make prevention practicable is encouraged. The prevention and cleanup of groundwater pollution is crucial to the public health and welfare and the environment of the state because:

(1) Minnesota's high quality groundwater is a precious natural resource upon which Minnesotans depend for many uses, including drinking water and agricultural and industrial uses;

(2) this resource is currently being threatened by pollution from a

variety of land and water uses, including domestic, agricultural, and industrial uses;

(3) groundwater of the state is contained in a series of related and often interconnected aquifers, and pollutants entering the groundwater may spread both horizontally and vertically and may enter and impair surface waters;

(4) once groundwater becomes polluted, it is extremely difficult and at times impossible to return it to its natural state;

(5) consumption of polluted groundwater can result in significant health impacts, even at relatively low concentrations; and

(6) groundwater must be protected for consumption and other uses by future generations.

Sec. 2. [115D.02] [DEFINITIONS.]

Subdivision 1. [APPLICABLE DEFINITIONS.] The definitions provided in this section apply to terms used in sections 1 to 7, unless the context requires otherwise. The definitions provided in section 115.01 apply to terms used in sections 1 to 7, unless a different definition is provided in this section or the context requires otherwise.

Subd. 2. [BEST MANAGEMENT PRACTICES.] "Best management practices" means those practices that are most capable of preventing, reducing, minimizing, or eliminating the pollution of the waters of the state, and are most practicable, considering availability, economic factors, effectiveness, environmental impacts, ability to be implemented, and technical feasibility. Best management practices apply to, but are not limited to, schedules of activities, operation procedures, practices, techniques, maintenance procedures, application and use of chemicals, drainage from raw material storage, treatment requirements, and other activities that may cause or contribute to water pollution.

Subd. 3. [PERSON.] "Person" means a human being; a municipality or other governmental or political subdivision; a public agency; a public or private corporation; a partnership, firm, association, or other organization; a receiver, trustee, assignee, agent, or other legal representative of any of the foregoing; or any other legal entity.

Subd. 4. [REGULATING AUTHORITY.] "Regulating authority" means a state agency, political subdivision, special purpose district, or other governmental unit with legal authority to adopt and enforce water resources protection requirements.

Subd. 5. [WATER RESOURCES PROTECTION REQUIREMENTS.] “Water resources protection requirements” means requirements intended to prevent, reduce, minimize, or eliminate pollution of the waters of the state that are enforceable under law, ordinance, permit, license, or order. Water resources protection requirements include: design criteria, guidance, or requirements; standards; operation and maintenance procedures; practices to control releases, spills, leaks, and sludge and waste disposal; restrictions on use and practices; and treatment requirements.

Sec. 3. [115D.03] [STATE PROGRAMS.]

Subdivision 1. [PROGRAM REVIEW.] The environmental quality board shall identify those state agency programs that affect activities that may cause or contribute to groundwater pollution.

Subd. 2. [STATE AGENCIES.] (a) Each state agency that has a program identified pursuant to subdivision 1 shall identify and develop best management practices to ensure that the program is consistent with and is effective in achieving the goal of section 1 and is effective in meeting the limits established under section 5. For those activities which may cause or contribute to pollution of groundwater, but are not directly regulated by the state, best management practices shall be promoted through education, support programs, incentives, and other mechanisms.

(b) State agencies must concentrate efforts to identify and develop best management practices in sensitive areas with Karst and sand plain features as provided in section 7, subdivision 1.

Subd. 3. [DEPARTMENT OF AGRICULTURE.] The department of agriculture shall identify and develop best management practices for the distribution, storage, and use of pesticides and fertilizers, except as otherwise provided in law.

Subd. 4. [EDUCATION.] The Minnesota extension service shall develop and implement educational programs, in cooperation with state agencies and local units of government involved in comprehensive water planning, that promote the use of best management practices for the protection of groundwater.

Sec. 4. [115D.04] [DUTY TO PREVENT POLLUTION.]

Persons whose activity may cause or contribute to pollution of groundwater shall use all practicable means of preventing the pollution.

Sec. 5. [115D.05] [HEALTH AND POLLUTION LIMITS.]

Subdivision 1. [DEPARTMENT OF HEALTH.] (a) The depart-

ment of health shall adopt rules specifying procedures and criteria for establishing and periodically revising a list of health risk limits for drinking water. The rules shall require the limits to be set at levels such that there is no significant long-term risk to human health from using that water, considering prudent margins of safety and complicating effects due to the presence of multiple pollutants or breakdown products. The rules shall provide for the establishment of temporary emergency limits that are not subject to paragraph (b).

(b) After rules are adopted under paragraph (a), the department shall establish a list of health risk limits in accordance with the rules and the procedures provided in this paragraph. The establishment of the list is exempt from the requirements of chapter 14. The department shall reevaluate each limit at least every four years after it has been established. Before a list of health risk limits is established or revised, the department shall:

(1) publish in the State Register and disseminate through the Minnesota extension service and through soil and water conservation districts notice of its intent to establish or revise health risk limits for specific substances and shall solicit information on the health impacts of those substances;

(2) publish a proposed list of health risk limits in the State Register and disseminate through the Minnesota extension service and through soil and water conservation districts allowing 60 days for public comment; and

(3) publish the final list of health risk limits in the State Register and, at the same time, make available a summary of the public comments received and the department's responses to the comments.

(c) A limit established by the department under paragraph (b) may be challenged in the manner provided in sections 14.44 and 14.45, except that the court may declare a limit invalid only if it finds that the limit was not established in accordance with the rules adopted under paragraph (a) or the procedures provided in paragraph (b) or that the limit is arbitrary or capricious.

Subd. 2. [POLLUTION CONTROL AGENCY.] The pollution control agency may adopt rules establishing numerical groundwater pollution limits. The rules shall:

(1) use the department of health's health risk limits as the measure of health risk;

(2) provide for the establishment of more protective limits where

groundwater interactions with surface water may otherwise result in impairment of surface water quality;

(3) not preclude regulating authorities from adopting requirements for facilities or practices to further minimize pollution consistent with section 1, where it is practicable; and

(4) provide standards for guiding the actions of regulating authorities under section 6.

Sec. 6. [115D.06] [ACTIONS BY REGULATING AUTHORITIES.]

Subdivision 1. [GROUNDWATER POLLUTION OCCURRENCE.]

(a) Where groundwater pollution is detected during ongoing monitoring programs, the responsible state agency shall take appropriate actions consistent with the goal of section 1 to confirm detection and may investigate possible sources, investigate the extent of groundwater pollution, and may conduct informational and educational efforts and other appropriate actions in the affected areas.

(b) A water resources protection requirement may not be enforced by a state agency before September 30, 1991 except as provided in section 7, subdivision 1 for sensitive areas with Karst or sand plain features.

Subd. 2. [GROUNDWATER POLLUTION IN EXCESS OF LIMITS.] If groundwater pollution exceeds or is likely to exceed limits established under section 5, the regulating authority shall take appropriate actions consistent with the goal of section 1 and the limits established under section 5.

Subd. 3. [APPROPRIATE ACTIONS.] For the purpose of this section and section 7, "appropriate actions" include actions to confirm detection and investigate possible sources, investigate the extent of groundwater pollution, conduct informational or educational efforts in the affected areas, require implementation of management practices, develop water resources protection requirements, require changes in monitoring, restrict or modify the activity or use in question, or require or provide groundwater remediation or containment. Nothing in this section shall be interpreted to confer any authority to adopt water resources protection requirements upon any state agency, political subdivision, special purpose district, or other local governmental unit beyond the authority conferred by other law.

Subd. 4. [NITROGEN COMPOUNDS IN GROUNDWATER.] The department of agriculture and the pollution control agency, in consultation with the board of water and soil resources and Minnesota agricultural experiment station, shall prepare a report on nitrate and related nitrogen compounds in groundwater. The report

shall consider recommendations made by local government in comprehensive local water plans and the program review required in section 3, subdivision 2, use data developed by the Minnesota agricultural experiment station, and shall incorporate the findings of the fertilizer nitrogen task force identified in article 2, section 12. This report shall be submitted to the environmental quality board by July 1, 1991. The board shall provide recommendations to the legislature by November 15, 1991, based upon this report.

The report shall be based on existing information and shall examine areas in which improvements in the state and local response to this problem are feasible. The report shall address, but not be limited to, the following issues: the determination of trends in nitrogen pollution; causative factors; the development of recommended best management practices to reduce or minimize pollution; regulatory controls; the feasibility of proposed treatment and corrective or mitigative measures; and the economic impacts of proposed corrective measures.

Sec. 7. [115D.07] [PROTECTION OF SENSITIVE AREAS.]

Subdivision 1. [POLICY.] In order to achieve the goal of section 1 and comply with the limits established under section 5, a concentration of state and local efforts to protect groundwater in sensitive areas is required. Until the application of criteria for determination of sensitive areas pursuant to subdivisions 3 and 4 is complete, state agencies shall consider areas with Karst and sand plain features to be sensitive and must concentrate efforts to develop and implement best management practices, water resources protection requirements, and educational programs.

Subd. 2. [DEFINITION.] "Sensitive area" or "sensitive groundwater area" means a geographic area defined by natural features where the groundwater is at significant risk of contamination from activities conducted at or near the land surface.

Subd. 3. [CRITERIA FOR DETERMINATION OF SENSITIVE AREAS.] The environmental quality board shall, after consultation with representatives of local government, and members of agricultural and environmental groups adopt a list of specific criteria for identifying sensitive groundwater areas and establish procedures for applying the criteria in such areas, by September 30, 1991.

Subd. 4. [INCORPORATION OF CRITERIA.] State agencies must incorporate the criteria into appropriate programs according to the procedures established under subdivision 3.

Subd. 5. [ACTIONS BY REGULATING AUTHORITIES.] Upon adoption of a comprehensive local water plan as defined in article 7, a regulating authority must take into account the plan and any

geological assessments referenced in the plan when taking appropriate actions in sensitive areas.

Subd. 6. [INFORMATION GATHERING.] The environmental quality board is responsible for coordinating state and state-funded local information gathering efforts pursuant to the identification of sensitive groundwater areas. Information shall be collected and automated in accordance with article 6.

Sec. 8. [115D.08] [EFFECT ON OTHER LAW.]

Sections 1 to 7 do not limit any person's cause of action under chapter 116B; restrict the authority that a state agency or a local unit of government may have from any other law; or create new enforcement authority.

ARTICLE 2

FERTILIZER, SOIL AMENDMENT, AND PLANT AMENDMENT

Section 1. [17.7121] [POWERS AND DUTIES OF COMMISSIONER.]

Subdivision 1. [ADMINISTRATION BY COMMISSIONER.] The commissioner shall administer, implement, and enforce this chapter and the department of agriculture is the lead state agency for the regulation of fertilizer, including, but not limited to, its storage, handling, distribution, use, and disposal.

Subd. 2. [DELEGATION OF DUTIES.] The commissioner's duties under this chapter may be delegated to designated employees or agents of the department of agriculture.

Subd. 3. [DELEGATION TO APPROVED AGENCIES.] The commissioner may, by written agreements, delegate specific inspection, enforcement, and other regulatory duties of this chapter to officials of approved agencies.

Sec. 2. [17.7122] [POLICY; RULES.]

It is the policy of this state to seek to achieve and maintain uniformity with national standards and with other states, insofar as possible, of regulation and control of the manufacture, distribution, and sale of fertilizer in this state.

Sec. 3. Minnesota Statutes 1988, section 17.713, is amended to read:

17.713 [DEFINITIONS.]

Subdivision 1. [GENERALLY.] When used in sections 17.711 to 17.729 the terms defined in this section have the meanings given them.

Subd. 1a. [APPROVED AGENCY.] “Approved agency” means a state agency other than the department of agriculture or an agency of a county, home rule charter or statutory city, town, or other political subdivision that has signed a joint powers agreement under section 471.59 with the commissioner.

Subd. 1b. [BEST MANAGEMENT PRACTICES.] “Best management practices” has the meaning given to it in article 1, section 2, subdivision 1.

Subd. 1c. [WATER RESOURCES PROTECTION REQUIREMENTS.] “Water resources protection requirements” has the meaning given to it in article 1, section 2, subdivision 5.

Subd. 2. [BRAND.] “Brand” means a term, design, or trademark used in connection with one or several grades of commercial fertilizers or with soil and plant amendment materials.

Subd. 3. [BULK FERTILIZER.] “Bulk fertilizer” means any commercial fertilizer material distributed in a nonpackaged form.

Subd. 3a. [CHEMIGATION.] “Chemigation” means a process of applying fertilizers to land or crops including, but not limited to, agricultural, nursery, turf, golf course, or greenhouse sites in or with irrigation water during the irrigation process.

Subd. 4. [COMMERCIAL FERTILIZER.] “Commercial fertilizer” includes those sold which are both mixed fertilizer or fertilizer materials.

Subd. 4a. [COMMISSIONER.] “Commissioner” means the commissioner of agriculture or a designee.

Subd. 4b. [COMPOST.] “Compost” is a material derived primarily or entirely from biological decomposition of vegetative organic matter or animal manure to which no inorganic fertilizers have been added other than to promote decomposition.

Subd. 4c. [CORRECTIVE ACTION.] “Correction action” means an action taken to minimize, eliminate, or clean up an incident.

Subd. 4d. [CUSTOM APPLY.] “Custom apply” means to apply a fertilizer, soil amendment, or plant amendment product for hire.

Subd. 4e. [DEFICIENCY.] “Deficiency” means that amount of

nutrient found by analysis less than that guaranteed which may result from a lack of nutrient ingredients or from lack of uniformity.

Subd. 5. [DISTRIBUTOR.] "Distributor" means any person who imports, consigns, manufactures, produces, compounds, mixes, or blends ~~commercial~~ fertilizer, or who offers for sale, sells, barter, or otherwise supplies ~~commercial~~ fertilizer or soil and plant amendments in this state.

Subd. 5a. [ENVIRONMENT.] "Environment" means surface water, groundwater, air, land, plants, humans, and animals and their interrelationships.

Subd. 5b. [FERTILIZER.] "Fertilizer" means a substance containing one or more recognized plant nutrients that is used for its plant nutrient content and designed for use or claimed to have value in promoting plant growth, except unmanipulated animal and vegetable manures, marl, lime, limestone, and other products exempted by rule by the commissioner.

Subd. 6. [FERTILIZER MATERIAL.] "Fertilizer material" means any substance containing nitrogen, phosphorus, potassium or any recognized plant food nutrient, or any compound which is used primarily for its plant nutrient content or for compounding mixed fertilizers except unmanipulated animal and vegetable manures.

Subd. 6a. [FIXED LOCATION.] "Fixed location" means all stationary fertilizer facility operations, owned and or operated by a person, located in the same plant location or locality.

Subd. 7. [GRADE.] "Grade" means the percentage of total nitrogen (N), available phosphorus (P) or phosphoric acid (P₂O₅), and soluble potassium (K) or soluble potash (K₂O) stated in whole numbers in the same terms, order, and percentages as in the guaranteed analysis; provided, however, that fertilizer materials, bone meals, manures, and similar raw materials may be guaranteed in fractional units, and specialty fertilizers may be guaranteed in fractional units of less than one percent of total nitrogen, available phosphorus or phosphoric acid, and soluble potassium or soluble potash.

Subd. 8. [GUARANTEED ANALYSIS.] "Guaranteed analysis": (1) Until the commissioner prescribes the alternative form of "guaranteed analysis" in accordance with the provisions of paragraph 2 of this subdivision, the term "guaranteed analysis" shall mean the percentage of plant nutrient content, if claimed, in the following order form:

(a) <u>Total nitrogen</u>	.....percent
<u>Available phosphoric acid</u>	.....percent
<u>Soluble potash</u>	.....percent
<u>Total Nitrogen (N)</u>	.....percent
<u>Available Phosphoric Acid (P2O5)</u>	.....percent
<u>Soluble Potash (K2O)</u>	.....percent

(b) (a) For unacidulated mineral phosphatic materials and basic slag, bone, tankage, and other organic phosphate materials, the total phosphoric acid or degree of fineness, or both, may also be guaranteed.

(e) (b) Guarantees for plant nutrients other than nitrogen, phosphorus and potassium may be permitted or required by rule of the commissioner. The guarantees for such other nutrients shall be expressed in the elemental form. The sources of such other elements, oxides, salt, and chelates, may be required to be stated on the application for registration and may be included as a parenthetical statement on the label. Other beneficial substances or compounds, determinable by laboratory methods, also may be guaranteed by permission of the commissioner and with the advice of the director of the agricultural experiment station. When any plant nutrients or other substances or compounds are guaranteed, they shall be subject to inspection and analyses in accord with the methods and rules prescribed by the commissioner.

(d) (c) Potential basicity or acidity expressed in terms of calcium carbonate equivalent in multiples of 100 pounds per ton, when required by rule.

(2) When the commissioner finds, after public hearing following due notice, that the requirement for expressing the guaranteed analysis of phosphorus and potassium in elemental form would not impose an economic hardship on distributors and users of fertilizer by reason of conflicting labeling requirements among the states, the commissioner may require thereafter that the "guaranteed analysis" shall be in the following form:

<u>Total nitrogen Nitrogen (N)</u>	.....percent
<u>Available phosphorus Phosphorus (P)</u>	.....percent
<u>Soluble potassium Potassium (K)</u>	.....percent

The effective date of said rule shall be not less than one year following the issuance thereof, and provided, further, that for a period of two years following the effective date of said rule the equivalent of phosphorus and potassium may also be shown in the form of phosphoric acid and potash. After the effective date of a rule

issued under the provisions of this section, requiring that phosphorus and potassium be shown in the elemental form, the guaranteed analysis for nitrogen, phosphorus, and potassium shall constitute the grade.

(3) "Guaranteed analysis" of a soil amendment or plant amendment shall mean an accurate statement of composition including the percentages of each ingredient. If the product is a microbiological product, the number of viable microorganisms per milliliter for a liquid or the number of viable microorganisms per gram for a dry product must also be listed.

Subd. 9. [GUARANTOR.] "Guarantor" means the person who is guaranteeing the material to be as stated in the guaranteed analysis statement.

Subd. 9a. [HAZARDOUS WASTE.] "Hazardous waste" means a substance identified or listed as hazardous waste in the rules adopted under section 116.07, subdivision 4.

Subd. 9b. [INCIDENT.] "Incident" means a flood, fire, tornado, transportation accident, storage container rupture, leak, spill, emission, discharge, escape, disposal, or other event that releases or immediately threatens to release a fertilizer, soil amendment, or plant amendment accidentally or otherwise into the environment, and may cause unreasonable adverse effects on the environment. Incident does not include a release resulting from the normal use of a product or practice in accordance with law.

Subd. 9c. [INVESTIGATIONAL ALLOWANCE.] "Investigational allowance" means an allowance for variations inherent in the taking, preparation, and analysis of an official sample of fertilizer.

Subd. 9a. 9d. [LABEL.] "Label" means the display of all written, printed or graphic matter upon the immediate container or the statement accompanying a commercial fertilizer, soil amendment or plant amendment.

Subd. 9b. 9e. [LABELING.] "Labeling" means all written, printed or graphic matter upon or accompanying any commercial fertilizer, soil amendment or plant amendment or advertisements, brochures, posters, television, radio or other announcements used in promoting their sale.

Subd. 9e. 9f. [MANIPULATED MANURES.] "Manipulated manures" means substances composed primarily of excreta, plant remains, or mixtures of substances means fertilizers that are manufactured, blended, mixed, or animal or vegetable manures which have been treated in any manner, including mechanical

drying, grinding, pelleting and other means, or by adding other chemicals or substances.

Subd. 10. [MIXED FERTILIZER.] "Mixed fertilizer" means any combination or mixture of fertilizer material designed for use or claimed to have value in promoting plant growth, with or without inert materials.

Subd. 11. [MOBILE MECHANICAL UNIT.] "Mobile mechanical unit" means any portable machine or apparatus used to blend, mix, or manufacture fertilizer materials fertilizers.

Subd. 12. [OFFICIAL SAMPLE.] "Official sample" means any sample of commercial fertilizer, soil amendment or plant amendment taken by the commissioner according to methods prescribed by sections 17.711 to 17.729.

Subd. 13. [ORGANIC.] "Organic" when applied to fertilizer nutrients refers only to naturally occurring substances generally recognized as the hydrogen compounds of carbon and their derivatives or synthetic products of similar composition whose water insoluble nitrogen content is at least 60 percent of the total nitrogen guaranteed.

Subd. 13a. [OWNER OF REAL PROPERTY.] "Owner of real property" means a person who is in possession of, has the right of control, or controls the use of real property, including without limitation a person who may be a fee owner, lessee, renter, tenant, lessor, contract for deed vendee, licensor, licensee, or occupant.

Subd. 14. [PERCENT; PERCENTAGE.] "Percent" or "percentage" means the percentage by weight.

Subd. 15. [PERSON.] "Person" includes individuals, partnerships, associations, firms, corporations, companies, and societies. means an individual, firm, corporation, partnership, association, trust, joint stock company, or unincorporated organization, the state, a state agency, or a political subdivision.

Subd. 15a. [PLANT AMENDMENT.] "Plant amendment" means any substance applied to plants or seeds which is intended to improve germination, growth, yield, product quality, reproduction, flavor, or other desirable characteristics of plants except commercial fertilizers, soil amendments, agricultural liming materials, ~~animal and vegetable manures~~, pesticides, and other materials which may be exempted by rule.

Subd. 15b. [PLANT FOOD.] "Plant food" means any one of the following plant nutrients or any additional plant nutrient which might be generally recognized as beneficial for plant growth: nitro-

gen, phosphorus, potassium, calcium, magnesium, sulfur, boron, chlorine, cobalt, copper, iron, manganese, molybdenum; sodium and zinc.

Subd. 16. [REGISTRANT.] "Registrant" means the person who registers ~~commercial fertilizer material~~, soil amendment or plant amendment under the provisions of sections 17.711 to 17.729.

Subd. 16a. [RESPONSIBLE PARTY.] "Responsible party" means a person who at the time of an incident has custody of, control of, or responsibility for a fertilizer, fertilizer container, or fertilizer rinse.

Subd. 16b. [RINSATE.] "Rinsate" means a dilute mixture of a fertilizer or fertilizer with water, solvents, oils, commercial rinsing agents, or other substances.

Subd. 16c. [SAFEGUARD.] "Safeguard" means a facility, equipment, device, or system, or a combination of these, as required by rule, designed to prevent an incident.

Subd. 17. [SELL.] "Sell," when applied to ~~commercial fertilizer~~, soil amendment, or plant amendment, includes:

- (1) The act of selling, transferring ownership;
- (2) The offering and exposing for sale, exchange, distribution, giving away, and transportation in, and into, this state;
- (3) The possession with intent to sell, exchange, distribute, give away or transport in, and into, this state;
- (4) The storing, carrying and handling in aid of traffic therein, whether done in person or through an agent, employee or others; and
- (5) Receiving, accepting, and holding of consignment for sale.

Subd. 17a. [SEWAGE SLUDGE.] "Sewage sludge" means the solids and associated liquids in municipal wastewater which are encountered and concentrated by a municipal wastewater treatment plant. Sewage sludge does not include incinerator residues and grit, scum, or screenings removed from other solids during treatment. ~~Sewage sludge is exempt from all requirements of this chapter except the soil amendment labeling requirements of section 17.716 unless the sewage sludge meets the plant food content criteria for a commercial fertilizer in which case the sewage sludge will be considered a commercial fertilizer. A copy of the sewage sludge analysis required by the rules of the pollution control agency~~

adopted under section 116.07, subdivision 4, is sufficient to meet the labeling requirements of section 17.716.

Subd. 17b. [SITE.] "Site" includes land and water areas, air space, and plants, animals, structures, buildings, contrivances, and machinery, whether fixed or mobile, including anything used for transportation.

Subd. 18. [SMALL PACKAGE FERTILIZER.] "Small package fertilizer" means fertilizer material sold exclusively in packages of 25 pounds or less.

Subd. 19. [SOIL AMENDMENT.] "Soil amendment" means any aggregant or additive or any synthetic organic chemical substances, or chemically or physically modified natural substances, or naturally occurring substance, or manufacturing by-products, mixed or unmixed, which are represented as having a primary function of forming or stabilizing soil aggregants in soil to which it is to be applied and thereby improving the resistance of such soil to the slaking action of water, increasing its water and air permeability, improving the resistance of its surface to crusting, improving its ease of cultivation, or otherwise favorably modifying its structural or physical properties; a substance intended to improve the physical characteristics of the soil, except fertilizers, agricultural liming materials, pesticides, and other materials exempted by rules of the commissioner.

Subd. 20. [SPECIALTY FERTILIZER.] "Specialty fertilizer" means any commercial fertilizer labeled and distributed for, but not limited to, the following uses: commercial gardening, greenhouses, nurseries, sod farms, home gardens, house plants, lawns lawn fertilizer not custom applied, shrubs, golf courses, municipal parks, cemeteries, and research or experimental purposes.

Subd. 20a. [SUBSTANTIALLY ALTERING.] "Substantially altering" means modifying a facility by adding additional safeguards or storage containers, or changing existing storage containers, safeguards, appurtenances, or piping. This does not include routine maintenance of existing safeguards, storage containers, appurtenances, and piping or of existing mixing, blending, weighing, and handling equipment.

Subd. 21. [TON.] "Ton" means a net ton of 2,000 pounds avoirdupois.

Subd. 22. [UNREASONABLE ADVERSE EFFECTS ON THE ENVIRONMENT.] "Unreasonable adverse effects on the environment" means any unreasonable risk to humans or the environment, taking into account the economic, social, and environmental costs and benefits of the use of a fertilizer.

Subd. 23. [WILDLIFE.] “Wildlife” means living things that are not human, domesticated, or pests.

Sec. 4. Minnesota Statutes 1988, section 17.714, subdivision 1, is amended to read:

Subdivision 1. [REGISTRATION FEE; CERTAIN ITEMS.] Fertilizer brands and grades sold only as small package items or represented and labeled as specialty fertilizer; and soil and plant amendments sold with recommendations for commercial agricultural use, shall be registered and a fee paid pursuant to section 17.717. Fees paid for registration made in this manner shall be in lieu of any other license or tonnage fees. A person may not sell brands or grades of specialty fertilizer, soil amendments, or plant amendments in this state unless they are registered with the commissioner.

Sec. 5. Minnesota Statutes 1988, section 17.714, subdivision 3, is amended to read:

Subd. 3. [COPY OF LABEL, LABELING MATERIAL.] Application for registration of a small package fertilizer or a specialty fertilizer or a soil or plant amendment shall be accompanied by:

(a) A label or label facsimile of each product for which registration is requested; and

(b) A copy of all labeling material used in this state for promotion and sale of each product being registered.

Sec. 6. Minnesota Statutes 1988, section 17.714, subdivision 6, is amended to read:

Subd. 6. [MAY NOT SELL WITHOUT REGISTRATION.] No distributor or manufacturer shall sell, offer for sale or distribute in this state any small package fertilizer, specialty fertilizer, soil or plant amendment unless it has been registered with the department of agriculture. Registration of such materials is not a warranty by the department or the state.

Sec. 7. Minnesota Statutes 1988, section 17.714, is amended by adding a subdivision to read:

Subd. 7. [EXCEPTION.] Specialty fertilizers custom applied are exempt from the registration requirements of this section.

Sec. 8. [17.7145] [APPLICATION OF REQUIREMENTS TO SEWAGE SLUDGE AND COMPOST.]

Subdivision 1. [PROVISIONS APPLYING TO SEWAGE SLUDGE.] Sewage sludge given away is exempt from all requirements of this chapter except the labeling requirements of this chapter.

Subd. 2. [ANALYSIS MEETS LABELING REQUIREMENTS.] A copy of the sewage sludge analysis required by the rules of the pollution control agency adopted under section 116.07, subdivision 4, is sufficient to meet the labeling requirements.

Subd. 3. [PROVISIONS APPLYING TO COMPOST.] Compost given away is exempt from all requirements of this chapter.

Sec. 9. Minnesota Statutes 1988, section 17.715, subdivision 1, is amended to read:

Subdivision 1. [LICENSED PERSONS.] A person who manufactures, blends, mixes, or otherwise manipulates commercial fertilizer material and a person who stores or distributes bulk fertilizer for resale shall obtain may not sell, distribute, custom apply, or otherwise manipulate fertilizers without obtaining a license from the commissioner for from each fixed location where the person does business within the state where these operations are performed and one license for all fixed locations that are located outside of the state.

Sec. 10. Minnesota Statutes 1988, section 17.715, subdivision 2, is amended to read:

Subd. 2. One license for all fixed locations of a firm which are located outside of the state shall be obtained from the commissioner. A distributor may not manipulate fertilizer by means of a mobile mechanical unit without a license from the commissioner for each mobile mechanical unit.

Sec. 11. Minnesota Statutes 1988, section 17.715, subdivision 4, is amended to read:

Subd. 4. Each license is effective until January 1 next following the date of its issuance or approval. All licenses shall be for the period January 1 to December 31 and shall be renewed thereafter by the licensee on or before January 1 of each year. A license shall is not be transferable from one person to another, or from the ownership to whom issued to another ownership, or from one location to another location.

Sec. 12. Minnesota Statutes 1988, section 17.715, is amended by adding a subdivision to read:

Subd. 6. [UNLICENSED SALES.] No distributor or manufacturer

may sell, offer for sale, or distribute a fertilizer in this state without a license under this chapter unless the person is exempt from the licensing requirements in this chapter.

Sec. 13. Minnesota Statutes 1988, section 17.715, is amended by adding a subdivision to read:

Subd. 7. [COPY OF LABEL AND LABELING MATERIAL.] Application for license must include:

(1) an invoice delivery ticket, label, or label facsimile for each product manufactured or made as required by section 17.716; and

(2) a copy of all labeling material used in this state for promotion of each product manufactured or made.

Sec. 14. [17.715] [APPLICATION REVIEW.]

Subdivision 1. [SUBSTANTIATION OF CLAIMS.] The commissioner may require a person applying for a license or registration to manufacture or distribute a product for use in Minnesota to submit authentic experimental evidence or university research data to substantiate the claims made for the product. As evidence to substantiate claims, the commissioner may rely on experimental data, evaluations, or advice furnished by experts at the University of Minnesota and may accept or reject additional sources of evidence in evaluating a fertilizer or soil or plant amendment. The experimental evidence must relate to conditions in Minnesota for which the product is intended. The commissioner may also require evidence of value when used as directed or recommended.

Subd. 2. [INSUFFICIENT EVIDENCE.] If the commissioner determines that the evidence submitted does not substantiate the product's usefulness in this state, the commissioner may require the applicant to submit samples, conduct tests, or submit additional information, including conditions affecting performance, in order to evaluate its performance and usefulness.

Subd. 3. [REFUSAL TO LICENSE OR REGISTER.] The commissioner may refuse to license a person or register a specialty fertilizer or soil or plant amendment:

(1) if the application for license or registration is not complete;

(2) if the commissioner determines that the fertilizer, soil amendment, plant amendment, or any other additives with substantially the same contents, will not or is not likely to produce the results or effects claimed when used as directed;

(3) if the commissioner determines that the fertilizer, soil amend-

ment, plant amendment, or any other additive with substantially the same contents, is not useful in this state; or

(4) the facility is not safeguarded for bulk storage under section 17.7155 and as required by rule.

Subd. 4. [APPLICATION REVIEW AND REGISTRATION.] After reviewing the application accompanied by the application fee, the commissioner may issue a conditional license or registration to prevent unreasonable adverse effects on the environment or if the commissioner determines that the applicant needs the license or registration to accumulate information necessary to substantiate claims or to correct minor label violations. The commissioner may prescribe terms, conditions, and a limited period of time for the conditional license or registration. After a conditional license or registration is issued, the commissioner may revoke or modify the license or registration if the commissioner finds that its terms or conditions are being violated or are inadequate to avoid unreasonable adverse effects on the environment.

The commissioner may deny issuance of a conditional license or registration if the commissioner determines that issuance of a license or registration is not warranted or that the use to be made of the product under the proposed terms and conditions may cause unreasonable adverse effects on the environment.

Subd. 5. [PROTECTION OF TRADE SECRETS.] (a) In submitting data required by this chapter, the applicant may:

(1) clearly mark any portions that in the applicant's opinion are trade secrets, or commercial, or financial information; and

(2) submit the marked material separately from other material.

(b) After consideration of the applicant's request submitted under paragraph (a), the commissioner shall not make any information public that in the commissioner's judgment contains or relates to trade secrets or to commercial or financial information obtained from an applicant. When necessary, information relating to formulas of products may be revealed to a state or federal agency consulted with similar protection of trade secret authority and may be revealed at a public hearing or in findings of facts issued by the commissioner.

(c) If the commissioner proposes to release information that the applicant or registrant believes to be protected from disclosure under paragraph (b), the commissioner shall notify the applicant or registrant by certified mail. The commissioner shall not make the information available for inspection until 30 days after receipt of the notice by the applicant or registrant. During this period, the

applicant or registrant may institute an action in an appropriate court for a declaratory judgment as to whether the information is subject to protection under this section.

Sec. 15. [17.7153] [FERTILIZER PRACTICES.]

The commissioner shall:

(1) establish best management practices and water resources protection requirements involving fertilizer use, distribution, storage, handling, and disposal;

(2) cooperate with other state agencies and local governments to protect public health and the environment from harmful exposure to fertilizer; and

(3) appoint a task force to study the effects and impact on water resources from nitrogen fertilizer use so that best management practices, a fertilizer management plan, and nitrogen fertilizer use regulations can be developed. The task force must include farmers, representatives from farm organizations, the fertilizer industry, University of Minnesota, environmental groups, representatives of local government involved with comprehensive local water planning, and other state agencies, including the Minnesota pollution control agency, the Minnesota department of health, the Minnesota department of natural resources, the Minnesota state planning agency, the board of animal health, and the board of water and soil resources.

The task force shall review existing research including pertinent research from the University of Minnesota and shall develop recommendations for a nitrogen fertilizer management plan for the prevention, evaluation, and mitigation of nonpoint source occurrences of nitrogen fertilizer in waters of the state. The nitrogen fertilizer management plan must include components promoting prevention and developing appropriate responses to the detection of nitrate and related nitrogen from fertilizer sources in ground or surface water.

The task force shall report its recommendations to the commissioner by May 1, 1990. The commissioner shall report to the environmental quality board by July 1, 1990, on the task force's recommendations. The recommendations of this task force shall be incorporated into an overall nitrate and related nitrogen plan prepared by the pollution control agency and the department of agriculture as set forth in article 1, section 6.

Sec. 16. [17.7154] [PROHIBITED FERTILIZER ACTIVITIES.]

Subdivision 1. [STORAGE, HANDLING, DISTRIBUTION, OR

DISPOSAL.] A person may not store, handle, distribute, or dispose of a fertilizer, rinsate, fertilizer container, or fertilizer application equipment in a manner:

(1) that endangers humans, damages agricultural products, food, livestock, fish, or wildlife;

(2) that will cause unreasonable adverse effects on the environment; or

(3) that will cause contamination of public or other waters of the state as defined in section 105.37, subdivisions 7 and 14, from backsiphoning or backflowing of fertilizers through water wells or from the direct flowage of fertilizers.

Subd. 2. [USE OF PUBLIC WATER SUPPLIES FOR FILLING EQUIPMENT.] A person may not fill fertilizer application equipment directly from a public water supply, as defined in section 144.382, unless the outlet from the public water supply is equipped with a backflow prevention device that complies with Minnesota Rules, parts 4715.2000 to 4715.2280.

Subd. 3. [USE OF PUBLIC WATERS FOR FILLING EQUIPMENT.] A person may not fill fertilizer application equipment directly from public waters of the state, as defined in section 105.37, subdivision 14, unless the equipment contains proper and functioning anti-backsiphoning mechanisms. The person may not introduce fertilizers into the application equipment until after filling the equipment from the public waters.

Subd. 4. [CLEANING EQUIPMENT IN OR NEAR SURFACE WATER.] A person may not:

(1) clean fertilizer application equipment in surface waters of the state; or

(2) fill or clean fertilizer application equipment adjacent to surface waters, ditches, or wells where, because of the slope or other conditions, fertilizers or materials contaminated with fertilizers could enter or contaminate the surface waters, groundwater, or wells, as a result of overflow, leakage, or other causes.

Subd. 5. [FERTILIZER, RINSATE, AND CONTAINER DISPOSAL.] A person may only dispose of fertilizer, rinsate, and fertilizer containers in accordance with this chapter. The manner of disposal must not cause unreasonable adverse effects on the environment.

Sec. 17. Minnesota Statutes 1988, section 17.7155, is amended to read:

17.7155 [APPROVAL OF FACILITY AND EQUIPMENT.]

Subdivision 1. [APPROVAL.] A person beginning construction of or substantially altering an existing facility or equipment used for the manufacture, blending, handling, or bulk storage of commercial fertilizers, soil or plant amendments shall must obtain the approval of a permit from the commissioner on forms provided by the commissioner before the person constructs or substantially alters:

(1) safeguards; or

(2) an existing facility used for the manufacture, blending, handling, or bulk storage of fertilizers, soil amendments, or plant amendments. The commissioner may not grant a permit for a site without safeguards that are adequate to prevent the escape or movement of the fertilizers from the site.

Subd. 2. [TRANSFER.] The approval shall not be transferable from one person to another, or from the ownership to whom issued to another ownership, or from one location to another.

Sec. 18. [17.7156] [CHEMIGATION.]

Subdivision 1. [PERMIT REQUIRED.] (a) A person may not apply fertilizers through an irrigation system without a chemigation permit from the commissioner. A chemigation permit is required for one or more wells, or other irrigation water source, that is protected from fertilizer contamination by devices as required by rule. The commissioner may allow irrigation to be used to apply fertilizers on crops and land, including agricultural, nursery, turf, golf course, and greenhouse sites.

(b) A person must apply for a chemigation permit on forms prescribed by the commissioner.

Subd. 2. [EQUIPMENT.] A chemigation system must be fitted with effective antisiphon devices or check valves that prevent the backflow of fertilizers or fertilizer-water mixtures into water supplies or other materials during times of irrigation system failure or equipment shutdown. The devices or valves must be installed between:

(1) the irrigation system pump or water source discharge and the point of fertilizer injection; and

(2) the point of fertilizer injection and the fertilizer supply.

Subd. 3. [APPLICATION FEE.] A person initially applying for a chemigation permit must pay a nonrefundable application fee of

\$50. A person who holds a valid pesticide chemigation permit as required by chapter 18B is exempt from the fee in this subdivision.

Subd. 4. [RULES.] The commissioner shall, by rule, develop specific requirements for implementation of a program to regulate application of fertilizers by irrigation.

Sec. 19. Minnesota Statutes 1988, section 17.716, subdivision 1, is amended to read:

Subdivision 1. [LABEL CONTENTS.] Any commercial fertilizer offered for sale or sold or distributed in this state in bags, or other containers, shall must have placed on or affixed to the container a label setting forth in clearly legible and conspicuous form the following information: (a) (1) the net weight; (b) (2) the brand and grade. When, except that the grade is not required if no primary nutrients are claimed, and if the commercial fertilizer material is used solely for agricultural purposes, inclusion of the grade on the tag or label, shall be optional providing if the guaranteed analysis statement is shown in the complete form as in section 17.713, subdivision 8; (c) (3) the guaranteed analysis; (d) (4) the name and address of the guarantor; (5) directions for use; and (6) a derivatives statement. Such This information, if not appearing on the face or display side of the container in a conspicuous form, shall must appear on the upper one third of the side of the container, or on the upper end of the container or shall must be printed on tags affixed conspicuously to the upper end of the container.

Sec. 20. Minnesota Statutes 1988, section 17.716, subdivision 2, is amended to read:

Subd. 2. [BLENDS AND MIXTURES.] Any distributor who blends or mixes fertilizer materials to a customer's order without a guaranteed analysis of the final mixture shall furnish each and every purchaser, in written or printed form, an invoice or delivery ticket showing the net weight and guaranteed analysis of each and every one of the materials used in the mixture, which shall. This document must accompany the delivery. Records of invoices or delivery tickets must be kept for five years after the delivery or application.

Sec. 21. Minnesota Statutes 1988, section 17.716, subdivision 4, is amended to read:

Subd. 4. The plant food content of a given lot must remain uniform and may not become segregated within the lot.

Sec. 22. Minnesota Statutes 1988, section 17.718, is amended to read:

17.718 [TONNAGE REPORT.]

Subdivision 1. [SEMIANNUAL STATEMENT] Each licensed distributor of ~~commercial~~ fertilizer and each registrant of a ~~commercial~~ specialty fertilizer, soil amendment, or plant amendment shall file with the commissioner on forms furnished by the commissioner, a semiannual statement for the periods ending December 31 and June 30 setting forth the number of net tons of each brand or grade of commercial fertilizer, soil amendment, or plant amendment distributed in this state during the reporting period. A report from a licensee who sells to an ultimate consumer must be accompanied by records or invoice copies indicating the name of the distributor who paid the inspection fee, the net tons received, and the grade or brand name of the products received. The report is due on or before the ~~30th~~ 31st of the month following the close of each reporting period of each calendar year. The inspection fee at the rate stated in section 17.717, subdivision 5 shall accompany the statement. For the tonnage report that is not filed or the payment of inspection fees that is not made within ~~30~~ 31 days after the end of the reporting period, a penalty of ten percent of the amount due, with a minimum penalty of \$10, shall be assessed against the licensee or registrant, and the total amount of fees due, plus penalty, shall constitute a debt and may be recovered in a civil action against the licensee or registrant. The assessment of this penalty shall not prevent the department from taking other actions as provided in this chapter. The commissioner may by rule require additional reports for the purpose of gathering statistical data relating to fertilizer, soil amendments, and plant amendments distribution in the state.

Subd. 2. When more than one person is involved in the distribution of a ~~commercial~~ fertilizer, soil amendment, or plant amendment, the last person licensed distributor who imports, manufactures, or produces the fertilizer or who has the specialty fertilizer, soil amendment, or plant amendment registered and who distributes to a nonlicensed or nonregistrant dealer or consumer is responsible for the inspection fee on products produced or brought into this state after July 1, 1989. The distributor must separately list the inspection fee on the invoice to the licensee. The last licensee must retain the invoices showing proof of inspection fees paid for three years and must pay the inspection fee on products brought into this state before July 1, 1989, unless the reporting and paying of fees have been made by a prior distributor of the fertilizer.

Subd. 3. Submission of each tonnage report ~~shall~~ is also be authority for the commissioner's permission to verify the records upon which ~~such~~ the statement of tonnage is based.

Sec. 23. Minnesota Statutes 1988, section 17.719, subdivision 1, is amended to read:

Subdivision 1. [POWERS AND DUTIES OF COMMISSIONER

ACCESS AND ENTRY.] The commissioner shall sample, inspect, make analysis of, and test commercial fertilizers, soil amendments and plant amendments offered for sale, sold, or distributed within this state at a time and place and to an extent the commissioner may deem necessary to determine whether the commercial fertilizers, soil amendments and plant amendments are in compliance with the provisions of sections 17-711 to 17-729, and may obtain additional information as the commissioner deems advisable. The commissioner is authorized to enter upon any public or private premises during regular business hours in order to have access to commercial fertilizers, soil amendments and plant amendments subject to the provisions of sections 17-711 to 17-729 and rules adopted under section 17-725: (a) The commissioner, upon presentation of official department credentials, must be granted access at reasonable times without delay to sites:

(1) where a person manufactures, formulates, distributes, uses, disposes of, stores, or transports a fertilizer, soil amendment, or plant amendment; and

(2) which the commissioner reasonably believes are affected, or possibly affected, by the use of a fertilizer, soil amendment or plant amendment, or device in violation of a provision of this chapter.

(b) The commissioner may enter sites for:

(1) inspection of equipment for the manufacture, blending, distribution, disposal, or application of fertilizers, soil amendments or plant amendments, and the premises on which the equipment is stored;

(2) sampling of sites actually or reportedly exposed to fertilizers, soil amendments, or plant amendments;

(3) inspection of storage, handling, distribution, use, or disposal areas of fertilizer, soil amendments, or plant amendments containers;

(4) inspection or investigation of complaints of injury to the environment;

(5) sampling of fertilizers, soil amendments, or plant amendments;

(6) observation of the use and application of a fertilizer, soil amendments, or plant amendments;

(7) inspection of records related to the manufacture, distribution, storage, handling, use, or disposal of fertilizer, soil amendments, or plant amendments;

(8) investigating the source, nature, extent of an incident, and the extent of the adverse effects on the environment;

(9) an emergency inspection at any time when a suspected incident may threaten public health or the environment; and

(10) other purposes necessary to implement this chapter.

Sec. 24. Minnesota Statutes 1988, section 17.719, subdivision 2, is amended to read:

Subd. 2. [OFFICIAL SAMPLE INSPECTION SAMPLES AND ANALYSES.] An official fertilizer, soil amendment or plant amendment sample shall be one drawn from a lot or shipment of fertilizer, soil amendment or plant amendment sold or exposed for sale in this state in the manner prescribed by the commissioner. In sampling a lot of commercial fertilizer, soil amendment or plant amendment registered under section 17.714, subdivision 1, a single package may constitute the official sample. (a) Before leaving the premises the commissioner shall provide the owner, operator, or agent in charge of an inspected site with a receipt describing any samples obtained. If an analysis is made of the samples, a copy of the results of the analysis must be furnished to the owner, operator, or agent in charge.

(b) The methods of sampling and analysis shall be those adopted by the Association of Official Analytical Chemists. In cases not covered by such methods, or in cases where methods are available in which improved applicability has been demonstrated, the commissioner may adopt such appropriate methods from other sources.

In sampling a lot of fertilizer, soil amendment, or plant amendment registered under section 17.714, subdivision 1, a single package may constitute the official sample.

Sec. 25. Minnesota Statutes 1988, section 17.719, subdivision 3, is amended to read:

Subd. 3. [METHODS OF ANALYSIS OBTAINING EVIDENCE.] The methods of analysis shall be those adopted by the commissioner from published sources such as those of the association of official analytical chemists. In making inspections under this chapter, the commissioner shall have the power to administer oaths, certify as to official acts, issue subpoenas to and take and cause to be taken depositions of witnesses, and compel the attendance of witnesses and production of papers, books, documents, records, and testimony. If a person fails to comply with any subpoena lawfully issued, or a witness refuses to produce evidence or testify to any matter regarding which the person may be lawfully interrogated, the district court shall, upon application of the commissioner, compel obedience

proceedings for contempt, as in the case of disobedience of the requirements of a subpoena issued by the court or a refusal to testify in the court.

Sec. 26. Minnesota Statutes 1988, section 17.719, subdivision 4, is amended to read:

Subd. 4. [INSPECTION; SAMPLING; ANALYSIS REQUEST FOR INSPECTION.] The commissioner shall inspect facilities and equipment used for the manufacture, blending, handling, or storing of commercial fertilizers or soil and plant amendments. The commissioner is authorized to enter upon any public or private premises during regular business hours in order to have access to facilities and equipment used to manufacture, blend, handle, or store commercial fertilizers or soil and plant amendments subject to the provisions of sections 17.711 to 17.729 and rules adopted under section 17.725. A person who believes that a violation of this chapter has occurred may request an inspection by giving notice to the commissioner of such violation. Any such notice shall be in writing, shall set forth with reasonable particularity the grounds for the notice, and shall be signed by the person. If, upon receipt of the notice, the commissioner reasonably believes that a violation occurred, the commissioner shall, as soon as is practicable, make a special inspection in accordance with the provisions of this section as soon as practicable to determine if a violation occurred. An inspection conducted because of a complaint may cover an entire site and shall not be limited to that portion of the site specified in the notice. If the commissioner determines that there are no reasonable grounds to believe that a violation occurred, the commissioner shall notify the person in writing of that determination.

Sec. 27. Minnesota Statutes 1988, section 17.719, is amended by adding a subdivision to read:

Subd. 5. [REFUSAL TO PERMIT ENTRY.] Upon the refusal or anticipated refusal, based on a refusal to permit entrance on a prior occasion, of an owner, operator, or agent in charge to permit entry as specified in this chapter, the commissioner may apply for an order in the district court in the county in which a site is located to compel a person with authority to permit the commissioner to enter and inspect the site.

Sec. 28. Minnesota Statutes 1988, section 17.719, is amended by adding a subdivision to read:

Subd. 6. [PAYMENT OF COSTS.] If an inspection or investigation reveals that a violation of this chapter has occurred, the commissioner may require the violator to pay the commissioner for the reasonable costs incurred by the commissioner in that inspection or investigation. The commissioner may enter an order for recovery of such costs.

Sec. 29. Minnesota Statutes 1988, section 17.72, is amended to read:

17.72 [FERTILIZER, SOIL AMENDMENT OR PLANT AMENDMENT-PESTICIDE MIXTURE.]

Each distributor who blends, mixes, or otherwise adds pesticides to ~~commercial fertilizer materials~~ fertilizers, soil amendments or plant amendments shall be licensed in accordance with section 17.715, and shall comply with the provisions of ~~sections 18A.21 to 18A.45~~ article 3 and the federal insecticide, fungicide and rodenticide act (Public Law 92-516), as amended.

Sec. 30. Minnesota Statutes 1988, section 17.721, is amended by adding a subdivision to read:

Subd. 3. [PLANT FOOD DEFICIENCIES.] Paragraphs (a) to (d) cover plant food deficiencies.

(a) Analysis must show that a fertilizer is deficient (1) in one or more of its guaranteed primary plant nutrients beyond the investigational allowances and compensations as established by regulation, or (2) if the overall index value of the fertilizer is shown below the level established by rule.

(b) A deficiency in an official sample of mixed fertilizer resulting from nonuniformity is not distinguishable from a deficiency due to actual plant nutrient shortage and is properly subject to official action.

(c) For the purpose of determining the commercial index value to be applied, the commissioner shall determine at least annually the values per unit of nitrogen, available phosphoric acid, and soluble potash in fertilizers in this state.

(d) If any fertilizer in the possession of the consumer is found by the commissioner to be short in weight, the registrant or licensee of the fertilizer must within 30 days after official notice from the commissioner submit to the consumer a penalty payment of two times the value of the actual shortage.

Sec. 31. Minnesota Statutes 1988, section 17.722, is amended to read:

17.722 [FALSE OR MISLEADING STATEMENTS.]

The ~~commercial~~ fertilizer, soil amendment or plant amendment is misbranded if it carries a false or misleading statement on the container, on the label attached to the container, or if false or misleading statements concerning the fertilizer, soil amendment or

plant amendment are disseminated in any manner or by any means. It is unlawful to distribute a misbranded fertilizer, soil amendment or plant amendment.

Sec. 32. Minnesota Statutes 1988, section 17.723, is amended to read:

17.723 [ADULTERATION.]

No person shall distribute an adulterated fertilizer, soil amendment or plant amendment product. A commercial fertilizer, soil amendment or plant amendment shall be deemed to be adulterated: (a) If it contains any deleterious or harmful ingredient in sufficient amount to render it injurious to plant life when applied in accordance with directions for use on the label; or (b) If its composition falls below or differs from that which it is purported to possess by its labeling; or (c) If it contains unwanted crop seed or weed seed.

Adulterated products that cannot be reconditioned must be disposed of according to approved methods approved by the commissioner.

Sec. 33. Minnesota Statutes 1988, section 17.725, subdivision 2, is amended to read:

Subd. 2. [LIMING MATERIALS.] The commissioner may adopt rules governing the labeling, registration, and distribution of liming materials sold for agricultural purposes, ~~including limestone (carbonates), sulfates, slags (silicates), burned lime (oxides), and hydrated lime (hydroxides).~~ Such products shall not be subject to any tonnage fees under section 17.717, subdivision 4. ~~No registration fee may be imposed on any distributor who sells liming materials only at retail to customers.~~

Sec. 34. Minnesota Statutes 1988, section 17.725, is amended by adding a subdivision to read:

Subd. 4. [NATIONAL CONFORMITY.] The commissioner may promulgate and amend rules for the efficient administration and enforcement of the Minnesota fertilizer, soil amendment and plant amendment law. The rules must conform with national standards, insofar as that is practicable and consistent with state law.

Sec. 35. Minnesota Statutes 1988, section 17.725, is amended by adding a subdivision to read:

Subd. 5. [HEARINGS.] Hearings authorized or required by law must be conducted by the commissioner or an officer, agent, or employee the commissioner designates.

Sec. 36. Minnesota Statutes 1988, section 17.725, is amended by adding a subdivision to read:

Subd. 6. [ADOPTION OF NATIONAL STANDARDS.] Applicable national standards contained in the 1989 official publication number 42, of the Association of American Plant Food Control Officials including the rules and regulations, statements of uniform interpretation and policy, and the official fertilizer terms and definitions, and not otherwise adopted by the commissioner, may be adopted as fertilizer rules of this state.

Sec. 37. Minnesota Statutes 1988, section 17.728, subdivision 1, is amended to read:

Subdivision 1. [REGISTRATION.] The commissioner may cancel the registration of any ~~commercial~~ specialty fertilizer, soil amendment or plant amendment or refuse to register any brand of ~~commercial~~ specialty fertilizer, soil amendment or plant amendment as herein provided, upon satisfactory evidence that the registrant has used fraudulent or deceptive practices in the evasion or attempted evasion of the provisions of sections 17.711 to 17.729 or any rules adopted under section 17.725. No registration shall be revoked until the registrant has been given opportunity for a hearing by the commissioner.

Sec. 38. Minnesota Statutes 1988, section 17.728, is amended by adding a subdivision to read:

Subd. 6. [ENFORCEMENT REQUIRED.] (a) The commissioner shall enforce this chapter.

(b) Upon the request of the commissioner, county attorneys, sheriffs, and other officers having authority in the enforcement of the general criminal laws shall take action to the extent of their authority necessary or proper for the enforcement of this chapter or special orders, standards, stipulations, and agreements of the commissioner.

(c) The commissioner shall have authority by administrative order to assess penalties of up to \$700 for a violation of a provision of this chapter.

(d) In determining the size of a penalty, the commissioner shall consider the economic benefit gained by the person by allowing or committing the violation, the gravity of the violation in terms of actual or potential damage to the environment, and the violator's culpability, good faith, and history of violations.

(e) The administrative penalty may be assessed if the person subject to a corrective action order or remedial action order does not

comply with the order in a reasonable time as provided in the order. The commissioner must state the amount of the administrative penalty in the corrective action order or remedial action order.

(f) Penalties assessed under this chapter shall be paid to the commissioner for deposit in the fertilizer regulatory account. If a violator fails to pay a penalty which is part of a final order within 30 days, the commissioner may commence a civil action for double the assessed penalty and attorney fees and costs. A penalty may be recovered in a civil action in the name of the department brought in the district court of the county where the violation is alleged to have occurred or the district court where the commissioner has an office.

Sec. 39. Minnesota Statutes 1988, section 17.728, is amended by adding a subdivision to read:

Subd. 7. [CRIMINAL ACTIONS] For a criminal action, the county attorney from the county where a criminal violation occurred is responsible for prosecuting a criminal violation of this chapter. If the county attorney refuses to prosecute, the attorney general may prosecute.

Sec. 40. Minnesota Statutes 1988, section 17.728, is amended by adding a subdivision to read:

Subd. 8. [CIVIL ACTIONS.] Civil judicial enforcement actions may be brought by the attorney general in the name of the state on behalf of the commissioner. A county attorney may bring a civil judicial enforcement action upon the request of the commissioner and agreement by the attorney general.

Sec. 41. Minnesota Statutes 1988, section 17.728, is amended by adding a subdivision to read:

Subd. 9. [INJUNCTION.] The commissioner may apply to a court with jurisdiction for a temporary or permanent injunction to prevent, restrain, or enjoin violations of this chapter.

Sec. 42. [17.7281] [ADMINISTRATIVE ACTION.]

Subdivision 1. [ADMINISTRATIVE REMEDIES.] The commissioner may seek to remedy violations by a written warning, administrative meeting, cease and desist, stop-use, stop-sale removal, or other special order, seizure, stipulation, agreement, or administrative penalty if the commissioner determines that the remedy is in the public interest.

Subd. 2. [REVOCATION AND SUSPENSION.] The commissioner may, after written notice and hearing, revoke, suspend, or refuse to grant a registration, permit, license, or certification if a person

violates this chapter or has a history within the past three years of violations of this chapter.

Subd. 3. [SERVICE OF ORDER OR NOTICE.] If the person is not available for service of an order, the commissioner may attach the order to the fertilizer, soil amendment or plant amendment equipment, or device or facility, and notify the person. The fertilizer, soil amendment, or plant amendment, equipment, or device may not be sold, used, or removed until the fertilizer, soil amendment, or plant amendment equipment, or device has been released under conditions specified by the commissioner, an administrative law judge, or a court.

Sec. 43. [17.7282] [ADMINISTRATIVE COMPLIANCE.]

Subdivision 1. [CONTESTED ORDER.] After personal service of an order, a person shall be granted at least 45 days from receipt of the order within which to notify the commissioner in writing that the person intends to contest the order. If the person fails properly to notify the commissioner that the person intends to contest the order, the order shall be deemed a final order of the agency and not subject to review by any court or agency.

Subd. 2. [ADMINISTRATIVE REVIEW.] (a) If a person notifies the commissioner that the person intends to contest an order issued under this chapter, the state office of administrative hearings shall conduct a hearing in accordance with the applicable provisions of chapter 14 for hearings. A hearing shall be conducted at a place designated by the commissioner within the county where the violation occurred or where the person contesting the order resides or has a principal place of business or any other place on which all the parties agree.

(b) Notwithstanding any provision of chapter 14, the final administrative law report shall be the final decision of the agency. Only an administrative law judge, under rules adopted by the office of administrative hearings, may entertain any application or reconsideration of a final agency decision.

Subd. 3. [JUDICIAL REVIEW.] (a) The commissioner or any party aggrieved by a final agency decision may seek judicial review of a final agency decision under sections 14.63 to 14.69.

(b) Any additional evidence required by a reviewing court under section 14.67 shall be taken by an administrative law judge. Only an administrative law judge may change the agency decision or any findings contained in it. The administrative law judge shall file with the reviewing court the additional evidence, together with any modifications or new findings or decisions as provided in section 14.67.

Subd. 4. [RECOVERING EXPENSES.] A prevailing party, including the commissioner, may recover the reasonable and necessary expenses incurred in a contested case or an appeal from a contested case.

Sec. 44. [17.7283] [CIVIL PENALTIES.]

Subdivision 1. [GENERAL PENALTY.] Except as provided in subdivision 2, a person who violates a provision of this chapter or a special order, standard, stipulation, agreement, or schedule of compliance of the commissioner is subject to a civil penalty of up to \$5,000 per day of violation as determined by the court.

Subd. 2. [DISPOSAL THAT BECOMES HAZARDOUS WASTE.] A person who violates a provision of this chapter or a special order, standard, stipulation, agreement, or schedule of compliance of the commissioner that relates to disposal of fertilizers, soil amendments, or plant amendments so that they become hazardous waste, is subject to the penalties in section 115.071.

Subd. 3. [DEFENSE TO CIVIL REMEDIES AND DAMAGES.] As a defense to a civil penalty or claim for damages under subdivisions 1 to 4, the defendant may prove that the violation was caused solely by an act of God, an act of war, or an act or failure to act that constitutes sabotage or vandalism, or any combination of these defenses.

Subd. 4. [ACTIONS TO COMPEL PERFORMANCE.] In an action to compel performance of an order of the commissioner to enforce a provision of this chapter, the court may require a defendant adjudged responsible to perform the acts within the person's power that are reasonably necessary to accomplish the purposes of the order.

Subd. 5. [RECOVERY OF PENALTIES BY CIVIL ACTION.] The civil penalties and payments provided for in this section may be recovered by a civil action brought by the county attorney or the attorney general in the name of the state.

Subd. 6. [RECOVERY OF LITIGATION COSTS AND EXPENSES.] A prevailing party may recover the reasonable and necessary value of all or a part of the litigation expenses incurred in an action brought under this chapter for civil penalties or injunctive relief, or in an action to compel compliance. In determining the amount of these litigation expenses to be allowed, the court shall give consideration to the economic circumstances of the defendant.

Sec. 45. [17.7284] [CRIMINAL PENALTIES.]

Subdivision 1. [GENERAL VIOLATION.] Except as provided in

subdivisions 2 and 3, a person is guilty of a misdemeanor, if the person violates a provision of this chapter, or a special order, standard, stipulation, agreement, or schedule or compliance of the commissioner.

Subd. 2. [VIOLATION ENDANGERING HUMANS.] A person is guilty of a gross misdemeanor if the person violates a provision of this chapter or a special order, standard, stipulation, agreement, or schedule of compliance of the commissioner, and the violation endangers humans.

Subd. 3. [VIOLATION WITH KNOWLEDGE.] A person is guilty of a gross misdemeanor if the person knowingly violates a provision of this chapter or standard, or a special order, stipulation, agreement, or schedule of compliance of the commissioner.

Subd. 4. [DISPOSAL THAT BECOMES HAZARDOUS WASTE.] A person who knowingly, or with reason to know, disposes of a fertilizer or soil and plant amendment so that the product becomes hazardous waste is subject to the penalties in section 115.071.

Sec. 46. Minnesota Statutes 1988, section 17.7285, is amended to read:

17.7285 [INCIDENTS.]

The commissioner may apply appropriate, efficient procedures to contain and control fertilizers and soil and plant amendments involved in an emergency incident likely to cause unreasonable adverse effects on the environment. For purposes of this section "incident" includes a flood, fire, tornado, or motor vehicle accident, which unintentionally releases fertilizers and soil and plant amendments on the environment. Persons involved in or responsible for an incident shall report the incident to the commissioner immediately upon discovering the incident. The department of agriculture shall be the lead government agency for decisions involving the emergency.

Sec. 47. [17.7286] [FERTILIZER RELEASE INCIDENTS.]

Subdivision 1. [CORRECTIVE ACTION ORDERS.] A responsible party or an owner of real property must, upon discovering that an incident has occurred, immediately report that incident to the commissioner. The responsible party must submit a written report of the incident to the commissioner containing the information requested by the commissioner within the time specified by the commissioner. After determining an incident has occurred, the commissioner may order the responsible party to take reasonable and necessary corrective actions. The commissioner shall notify the owner of real property where corrective action is ordered that access

to the property will be required for the responsible party or the commissioner to take corrective action. A political subdivision may not request or order any person to take an action that conflicts with the corrective action ordered by the commissioner. The attorney general may bring an action to compel corrective action.

Subd. 2. [COMMISSIONER AND COMPELLED PERFORMANCE CORRECTIVE ACTIONS.] The commissioner may take corrective action if:

(1) a responsible party cannot be identified; or

(2) an identified responsible party cannot or will not comply with an order issued under subdivision 1.

Subd. 3. [EMERGENCY CORRECTIVE ACTION.] To assure an adequate response to an incident, the commissioner may take corrective action without following the procedures of subdivision 1 if the commissioner determines that the incident constitutes a clear and immediate danger requiring immediate action to prevent, minimize, or mitigate damage to the public health and welfare or the environment. Before taking an action under this subdivision, the commissioner shall make all reasonable efforts, taking into consideration the urgency of the situation, to order a responsible party to take a corrective action and notify the owner of real property where the corrective action is to be taken.

Subd. 4. [LEAD AGENCY.] The department of agriculture is the lead state agency in taking corrective action for incidents.

Subd. 5. [CONTINGENCY PLAN.] Persons storing bulk fertilizers or soil and plant amendment products must develop and maintain a contingency plan that describes the storage, handling, disposal, and incident handling practices. The plan must be kept at a principal business site or location within this state and must be submitted to the commissioner upon request. The plan must be available for inspection by the commissioner.

Sec. 48. [17.7287] [RESPONSIBILITY FOR COSTS.]

Subdivision 1. [RESPONSIBLE PARTY.] (a) A responsible party is liable for the costs, including administrative costs, for corrective action under section 48. The commissioner may issue an order for recovery of corrective action costs. The cleanup costs and other expenses must be paid after a corrective order is issued.

(b) A responsible party is also liable for the costs of any destruction to wildlife. Payments of these costs must be deposited in the game and fish fund in the state treasury.

Subd. 2. [AVOIDANCE OF LIABILITY.] (a) A responsible party may not avoid liability by a conveyance of any right, title, or interest in real property or by any indemnification, hold harmless agreement, or similar agreement.

(b) This subdivision does not:

(1) prohibit a person who may be liable from entering an agreement by which the person is insured, held harmless, or indemnified for part or all of the liability;

(2) prohibit the enforcement of an insurance, hold harmless, or indemnification agreement; or

(3) bar a cause of action brought by a person who may be liable or by an insurer or guarantor, whether by right of subrogation or otherwise.

Subd. 3. [OWNER OF REAL PROPERTY.] An owner of real property is not a responsible party for an incident on the property unless that person:

(1) was engaged in manufacturing, making, transporting, storing, handling, applying, distributing, or disposing of a fertilizer on the property;

(2) knowingly permitted any person to make regular use of the property for disposal of fertilizers; or

(3) violated this chapter in a way that contributed to the incident.

Subd. 4. [DEFENSE.] As a defense to a penalty or liability for damages, a person may prove that the violation was caused solely by an act of God, an act of war, or an act or failure to act that constitutes sabotage or vandalism, or any combination of these defenses.

Sec. 49. [17.7288] [APPORTIONMENT AND CONTRIBUTION.]

Subdivision 1. [RIGHT OF APPORTIONMENT; FACTORS.] A person held liable under this chapter has the right to have the trier of fact apportion liability among the parties as provided in this section. The burden is on each responsible party to show how that responsible party's liability should be apportioned. The trier of fact shall reduce the amount of damages in proportion to any amount of liability apportioned to the party recovering.

In apportioning the liability of a party under this section, the trier of fact shall consider the following:

- (1) the extent to which that party contributed to the incident;
- (2) the amount of fertilizer, soil amendment, or plant amendment involved;
- (3) the degree of toxicity of the fertilizer, soil amendment, or plant amendment involved;
- (4) the degree of involvement of and care exercised by the party in manufacturing, blending, handling, storing, distributing, transporting, applying, and disposing of the fertilizer, soil amendment, or plant amendment;
- (5) the degree of cooperation by the party with federal, state, or local officials to prevent any harm to the public health or the environment; and
- (6) knowledge by the party of the hazardous nature of the fertilizer, soil amendment, or plant amendment.

Subd. 2. [CONTRIBUTION.] If a person is held liable under this chapter and establishes a proportionate share of the aggregate liability, section 604.02, subdivisions 1 and 2, apply with respect to contribution and reallocation of any uncollectible amounts, except that an administrative law judge may also perform the functions of a court identified in section 604.02, subdivision 2.

Sec. 50. Minnesota Statutes 1988, section 17.73, subdivision 5, is amended to read:

Subd. 5. [CERTIFICATION FEES.] (a) A laboratory applying for certification shall pay an application fee of \$100 and a certification fee of \$100 before the certification is issued.

(b) Certification is valid for one year and the renewal fee is \$100. The commissioner shall charge an additional application fee of \$100 if a certified laboratory allows certification to lapse before applying for renewed certification.

(c) The commissioner shall notify a certified lab that its certification lapses within 30 to 60 days of the date when the certification lapses.

(d) Fees collected under this subdivision must be deposited in the state treasury and credited to the laboratory services account. The money in the account is annually appropriated to the commissioner to administer this section.

Sec. 51. Minnesota Statutes 1988, section 43A.08, subdivision 1, is amended to read:

Subdivision 1. [UNCLASSIFIED POSITIONS.] Unclassified positions are held by employees who are:

(a) chosen by election or appointed to fill an elective office;

(b) heads of agencies required by law to be appointed by the governor or other elective officers, and the executive or administrative heads of departments, bureaus, divisions, and institutions specifically established by law in the unclassified service;

(c) deputy and assistant agency heads and one confidential secretary in the agencies listed in subdivision 1a;

(d) the confidential secretary to each of the elective officers of this state and, for the secretary of state, state auditor, and state treasurer, an additional deputy, clerk, or employee;

(e) intermittent help employed by the commissioner of public safety to assist in the issuance of vehicle licenses;

(f) employees in the offices of the governor and of the lieutenant governor and one confidential employee for the governor in the office of the adjutant general;

(g) employees of the Washington, D.C., office of the state of Minnesota;

(h) employees of the legislature and of legislative committees or commissions; provided that employees of the legislative audit commission, except for the legislative auditor, the deputy legislative auditors, and their confidential secretaries, shall be employees in the classified service;

(i) presidents, vice-presidents, deans, other managers and professionals in academic and academic support programs, administrative or service faculty, teachers, research assistants, and student employees eligible under terms of the federal economic opportunity act work study program in the school and resource center for the arts, state universities and community colleges, but not the custodial, clerical, or maintenance employees, or any professional or managerial employee performing duties in connection with the business administration of these institutions;

(j) officers and enlisted persons in the national guard;

(k) attorneys, legal assistants, examiners, and three confidential employees appointed by the attorney general or employed with the attorney general's authorization;

(l) judges and all employees of the judicial branch, referees, receivers, jurors, and notaries public, except referees and adjusters employed by the department of labor and industry;

(m) members of the state patrol; provided that selection and appointment of state patrol troopers shall be made in accordance with applicable laws governing the classified service;

(n) chaplains employed by the state;

(o) examination monitors and intermittent training instructors employed by the departments of employee relations and commerce and by professional examining boards;

(p) student workers; and

(q) employees unclassified pursuant to other statutory authority; and

(r) intermittent employees employed by the department of agriculture to perform duties related to pesticide, fertilizer, and seed regulation.

Sec. 52. Minnesota Statutes 1988, section 604.02, subdivision 1, is amended to read:

Subdivision 1. When two or more persons are jointly liable, contributions to awards shall be in proportion to the percentage of fault attributable to each, except that each is jointly and severally liable for the whole award. Except in cases where liability arises under chapters 17 - fertilizer regulations, 18B - pesticide control, 115 - water pollution control, 115A - waste management, 115B - environmental response and liability, 115C - leaking underground storage tanks, and 299E - pipeline safety, public nuisance law for damage to the environment or the public health, any other environmental or public health law, or any environmental or public health ordinance or program of a municipality as defined in section 466.01, a person whose fault is 15 percent or less is liable for a percentage of the whole award no greater than four times the percentage of fault, including any amount reallocated to that person under subdivision 2.

If the state or a municipality as defined in section 466.01 is jointly liable, and its fault is less than 35 percent, it is jointly and severally liable for a percentage of the whole award no greater than twice the amount of fault, including any amount reallocated to the state or municipality under subdivision 2.

Sec. 53. [REPEALER.]

Minnesota Statutes 1988, sections 17.714, subdivisions 4, 4a, and 4b; 17.715, subdivision 3; 17.721; 17.726; 17.727; 17.728, subdivisions 4 and 5; 17.729; and 17.73, subdivision 5, paragraph (d), are repealed.

ARTICLE 3

PESTICIDE CONTROL

Section 1. [17.114] [SUSTAINABLE AGRICULTURE.]

Subdivision 1. [PURPOSE.] The purpose of this section is to assure the viability of Minnesota agriculture.

Subd. 2. [REPORT.] The commissioner of agriculture shall investigate, demonstrate, report on, and make recommendations on the current and future sustainability of Minnesota agriculture.

Subd. 3. [DEFINITIONS.] For purposes of this section, the following definitions apply:

(a) "Sustainable agriculture" represents the best aspects of traditional and modern agriculture by using a fundamental understanding of nature, as well as the latest scientific advances to create integrated, self-reliant, resource conserving practices that increase farm profitability, maintain or improve the quality of soil and water resources, and lessen dependency on nonrenewable resources, and thereby enhance the enrichment of the environment and provide short- and long-term productive agriculture.

(b) "Integrated pest management" means use of a combination of approaches, incorporating the judicious application of ecological principles, management techniques, cultural and biological controls, and chemical methods, to keeping pests below levels where they do economic damage.

Subd. 4. [DUTIES.] The commissioner shall:

(1) establish a task force of appropriate agencies and organizations to assist the department by:

(i) recommending indices or measures to assess the long-term sustainability of Minnesota agriculture;

(ii) assisting the commissioner in evaluating the identified trends;

(iii) identifying new innovations; and

(iv) suggesting state policies and programs that may be needed to assure the sustainability of Minnesota agriculture and related natural resources;

(2) establish a clearinghouse and provide information, appropriate educational opportunities, and other assistance to individuals, producers, and groups about sustainable agricultural techniques, practices, and opportunities;

(3) survey producers, support services, and organizations to determine information and research needs in the area of sustainable agricultural practices;

(4) demonstrate the applicability of sustainable agriculture practices to Minnesota conditions;

(5) coordinate the efforts of state agencies regarding activities relating to sustainable agriculture;

(6) direct the programs of the department so as to work toward the sustainability of Minnesota agriculture;

(7) inform agencies of how state or federal programs could utilize and support sustainable agriculture practices;

(8) work with farmers, the University of Minnesota, public post-secondary institutions, and other appropriate organizations to identify opportunities and needs as well as promote cooperation, assure coordination, and avoid duplication of efforts regarding research, teaching, and extension work relating to sustainable agriculture; and

(9) report to the legislature every odd-numbered year on at least the following:

(i) the presentation and analysis of findings regarding the current status and trends of the economic condition of producers, the status of soil and water resources utilized by production agriculture, the magnitude of off-farm inputs used and the amount of nonrenewable resources used by Minnesota farmers;

(ii) a description of current state or federal programs directed toward sustainable agriculture including significant results and experience of those programs;

(iii) a description of specific actions the department of agriculture is taking in the area of sustainable agriculture;

(iv) a description of current and future research needs at all levels in the area of sustainable agriculture; and

(v) suggestions for changes in existing programs or policies or enactment of new programs or policies that will affect farm profitability, maintain soil and water quality, reduce input costs, or lessen dependence upon nonrenewable resources.

Subd. 5. [INTEGRATED PEST MANAGEMENT.] The state shall promote and facilitate the use of integrated pest management through education, financial assistance, information and research.

Subd. 6. [INTEGRATED PEST MANAGEMENT APPROACH.] The commissioner shall coordinate the development of a state approach to the promotion and use of integrated pest management, which shall include delineation of the responsibilities of the state, public post-secondary institutions, Minnesota extension service, local units of government, and the private sector; establishment of information exchange and integration; procedures for identifying research needs and reviewing and preparing informational materials; procedures for factoring integrated pest management into state laws, rules, and uses of pesticides; and identification of barriers to adoption. The commission shall report to the governor and legislature by November 15, 1990 and on a biennial basis thereafter.

Subd. 7. [CONSULTANT CERTIFICATION.] The commissioner shall, in consultation with Minnesota extension service and the consultant community, develop recommendations for a mandatory state crop consultant certification program under chapter 326 and report its recommendations to the governor and legislature by November 15, 1990. The program shall include consideration of educational requirements, current professional certification programs, and certification subcategories based on the need for consultant specialization.

Subd. 8. [STATE USES OF PESTICIDES AND NUTRIENTS.] The state shall use integrated pest management techniques in its management of public lands, including roadside rights-of-way, parks and forests; and shall use planting regimes that minimize the need for pesticides and added nutrients.

Subd. 9. [USER INFORMATION SYSTEM.] The commissioner shall promote establishment of a pilot pesticide and nutrient user information system at the county level in cooperation with the board of water and soil resources, the United States Soil Conservation Service, and the Minnesota extension service, to ensure that accurate and consistent information is available at the local level on recommended application rates and possible environmental impacts.

Subd. 10. [COOPERATION OF OTHER AGENCIES.] Other agencies of state government and the University of Minnesota shall cooperate with the commissioner in the exercise of responsibilities under this section. The commissioner of agriculture shall consult

with the University of Minnesota and other agencies and organizations in carrying out duties under this section.

Sec. 2. Minnesota Statutes 1988, section 17.73, subdivision 3, is amended to read:

Subd. 3. [ANALYSES REPORTING STANDARDS.] (a) The results obtained from soil or plant analysis must be reported in accordance with standard reporting units established by the commissioner by rule. The standard reporting units must conform as far as practical to uniform standards that are adopted on a regional or national basis.

(b) If a certified laboratory offers a recommendation, the University of Minnesota recommendation or that of another land grant college in a contiguous state must be offered in addition to other recommendations, and the source of the recommendation must be identified on the recommendation form. If relative levels such as low, medium, or high are presented to classify the analytical results, the corresponding relative levels based on the analysis as designated by the University of Minnesota or the land grant college in a contiguous state must also be presented.

(c) Information on efficient and environmentally sound practices based on research studies shall be included with all soil test results.

Sec. 3. Minnesota Statutes 1988, section 18B.01, subdivision 5, is amended to read:

Subd. 5. [COMMERCIAL APPLICATOR.] "Commercial applicator" means a person who has or is required to have a commercial applicator license.

Sec. 4. Minnesota Statutes 1988, section 18B.01, is amended by adding a subdivision to read:

Subd. 6a. [CORRECTIVE ACTION.] "Corrective action" means action taken to minimize, eliminate, or clean up an incident.

Sec. 5. Minnesota Statutes 1988, section 18B.01, subdivision 12, is amended to read:

Subd. 12. [INCIDENT.] "Incident" means a flood, fire, tornado, transportation accident, storage container rupture, ~~portable container rupture~~, leak, spill, emission, discharge, escape, leach, disposal, or other event that releases or immediately threatens to release a pesticide accidentally or otherwise into the environment, and may cause unreasonable adverse effects on the environment. "Incident" does not include the lawful use or intentional release of a

pesticide in accordance with its approved label or labeling or a discharge or other release authorized by law.

Sec. 6. Minnesota Statutes 1988, section 18B.01, subdivision 15, is amended to read:

Subd. 15. [NONCOMMERCIAL APPLICATOR.] "Noncommercial applicator" means a person with who has or is required to have a noncommercial applicator license.

Sec. 7. Minnesota Statutes 1988, section 18B.01, is amended by adding a subdivision to read:

Subd. 15a. [OWNER OF REAL PROPERTY.] "Owner of real property" means a person who is in possession of, has the right of control, or controls the use of real property, including without limitation a person who may be a fee owner, lessee, renter, tenant, lessor, contract for deed vendee, licensor, licensee, or occupant.

Sec. 8. Minnesota Statutes 1988, section 18B.01, subdivision 19, is amended to read:

Subd. 19. [PESTICIDE DEALER.] "Pesticide dealer" means a person with who has or is required to have a pesticide dealer license.

Sec. 9. Minnesota Statutes 1988, section 18B.01, subdivision 21, is amended to read:

Subd. 21. [PRIVATE APPLICATOR.] "Private applicator" means a person certified to use or supervise use of restricted use pesticides.

Sec. 10. Minnesota Statutes 1988, section 18B.01, subdivision 23, is amended to read:

Subd. 23. [RESPONSIBLE PARTY.] "Responsible party" means a person or persons who at the time of an incident has custody of, control of, or responsibility for a pesticide, pesticide container, or pesticide rinsate.

Sec. 11. Minnesota Statutes 1988, section 18B.01, subdivision 26, is amended to read:

Subd. 26. [SAFEGUARD.] "Safeguard" means a facility, equipment, device, or system, or a combination of these, as required by rule, designed to prevent the escape or movement of a pesticide from the place it is stored or kept under conditions that might otherwise result in contamination of the environment an incident.

Sec. 12. Minnesota Statutes 1988, section 18B.01, subdivision 30, is amended to read:

Subd. 30. [STRUCTURAL PEST CONTROL APPLICATOR.] "Structural pest control applicator" means a person with who has or is required to have a structural pest control license.

Sec. 13. Minnesota Statutes 1988, section 18B.04, is amended to read:

18B.04 [PESTICIDE IMPACT ON WATER QUALITY THE ENVIRONMENT.]

The commissioner shall:

(1) determine the impact of pesticides on the environment, including surface water and ground water in this the state;

(2) develop best management practices and water resources protection measures as defined in article 1, section 2, involving pesticide distribution, storage, handling, use, and disposal; and

(3) cooperate with and assist other state agencies and local governments to protect public health and the environment from harmful exposure to pesticides.

Sec. 14. Minnesota Statutes 1988, section 18B.07, subdivision 2, is amended to read:

Subd. 2. [PROHIBITED PESTICIDE USE.] (a) A person may not use, store, handle, distribute, or dispose of a pesticide, rinsate, pesticide container, or pesticide application equipment in a manner:

(1) that is inconsistent with a label or labeling;

(2) that endangers humans, damages agricultural products, food, livestock, fish, or wildlife, or beneficial insects; or

(3) that will cause unreasonable adverse effects on the environment.

(b) A person may not:

(1) direct a pesticide on onto property beyond the boundaries of the target site. A person may not apply a pesticide resulting in;

(2) apply a pesticide so as to cause damage to adjacent nearby property;

(c) A person may not directly;

(3) apply a pesticide on a human by overspray or target site spray;
or

(d) A person may not

(4) apply a pesticide in a manner so as to expose a worker human
in an immediately adjacent, open field area.

Sec. 15. Minnesota Statutes 1988, section 18B.07, subdivision 3, is amended to read:

Subd. 3. [POSTING.] (a) If the pesticide labels prescribe specific hourly or daily intervals for human reentry following application, the person applying the pesticide must post fields, buildings, or areas where the pesticide has been applied. The posting must be done with placards in accordance with label requirements and rules adopted under this section.

(b) Fields Sites being treated with pesticides through irrigation systems must be posted throughout the period of pesticide treatment. The posting must be done in accordance with labeling and rules adopted under this chapter.

Sec. 16. Minnesota Statutes 1988, section 18B.07, subdivision 4, is amended to read:

Subd. 4. [PESTICIDE SAFEGUARDS AT APPLICATION SITES.] A person may not allow a pesticide, rinsate, or unrinsed pesticide container to be stored, kept, or to remain in or on any site without safeguards adequate to prevent the escape or movement of the pesticides from the site an incident.

Sec. 17. Minnesota Statutes 1988, section 18B.07, subdivision 5, is amended to read:

Subd. 5. [USE OF PUBLIC WATER SUPPLIES FOR FILLING EQUIPMENT.] A person may not fill pesticide application equipment directly from a public water supply, as defined in section 144.382, unless the outlet from the public water supply is equipped with a backflow prevention device that complies with the Minnesota Plumbing Code under Minnesota Rules, parts 4715.2000 to 4715.2280. The person may not introduce pesticides into the application equipment until after filling the equipment from a public water supply.

Sec. 18. Minnesota Statutes 1988, section 18B.07, subdivision 7, is amended to read:

Subd. 7. [CLEANING EQUIPMENT IN OR NEAR SURFACE WATER.] (a) A person may not:

(1) clean pesticide application equipment in surface waters of the state; or

(2) fill or clean pesticide application equipment adjacent to surface waters, ditches, or wells where, because of the slope or other conditions, pesticides or materials contaminated with pesticides could enter or contaminate the surface waters, ground water, or wells, as a result of overflow, leakage, or other causes.

(b) This subdivision does not apply to permitted application of aquatic pesticides to public waters.

Sec. 19. Minnesota Statutes 1988, section 18B.08, subdivision 1, is amended to read:

Subdivision 1. [PERMIT REQUIRED.] (a) A person may not apply pesticides through an irrigation system without a chemigation permit from the commissioner. Only one chemigation permit is required for ~~two~~ one or more wells or other irrigation water sources that are protected from pesticide contamination by the same devices as required by rule. The commissioner may allow irrigation to be used to apply pesticides on crops and land, including agricultural, nursery, turf, golf course, and greenhouse sites.

(b) A person must apply for a chemigation permit on forms prescribed by the commissioner.

Sec. 20. Minnesota Statutes 1988, section 18B.08, subdivision 3, is amended to read:

Subd. 3. [EQUIPMENT.] A chemigation system must be fitted with effective antisiphon devices or check valves that prevent the backflow of pesticides or pesticide-water mixtures into water supplies or other materials during times of irrigation system failure or equipment shutdown. The devices or valves must be installed between:

(1) the irrigation system pump or water source discharge and the point of pesticide injection; and

(2) the point of pesticide injection and the pesticide supply.

Sec. 21. Minnesota Statutes 1988, section 18B.08, subdivision 4, is amended to read:

Subd. 4. [APPLICATION FEE.] A person initially applying for a chemigation permit must pay a nonrefundable application fee of \$50 for each well that is to be used in applying the pesticides by irrigation. A person who holds a valid fertilizer chemigation permit, as defined in chapter 17, is exempt from the fee in this section.

Sec. 22. Minnesota Statutes 1988, section 18B.15, is amended to read:

18B.15 [PESTICIDE RELEASE INCIDENTS.]

Subdivision 1. [DUTIES OF RESPONSIBLE PARTY CORRECTIVE ACTION ORDERS.] (a) A responsible party involved in an incident or an owner of real property must immediately, upon discovering that an incident has occurred, report the that incident to the department of agriculture and provide information as requested by the commissioner. The responsible party must pay for the costs and immediately take all action necessary to minimize or abate the release and to recover pesticides involved in the incident.

(b) The responsible party must submit a written report of the incident to the commissioner containing the information requested by the commissioner within the time specified by the commissioner and also submit a written report to the commissioner containing the information requested by the commissioner within the time specified by the commissioner. After determining that an incident has occurred, the commissioner may order the responsible party to take reasonable and necessary corrective actions. The commissioner shall notify the owner of real property where corrective action is ordered that access to the property will be required for the responsible party or the commissioner to take corrective action. A political subdivision may not request or order any person to take an action that conflicts with the corrective action ordered by the commissioner. The attorney general may bring an action to compel corrective action.

Subd. 2. [COMMISSIONER'S COMMISSIONER AND COMPELLED PERFORMANCE CORRECTIVE ACTION.] (a) If in the judgment of the commissioner the responsible party does not take immediate and sufficient action to abate the release of and to recover the pesticide, The commissioner may take corrective action necessary to mitigate or correct the conditions resulting from an incident. The responsible party must reimburse the commissioner for the costs incurred by the commissioner in the enforcement of this subdivision.

(b) The department of agriculture is the lead state agency for responding to and taking action with regard to pesticide incidents. if:

(1) a responsible party cannot be identified; or

(2) an identified responsible party cannot or will not comply with an order issued under subdivision 1.

Subd. 3. [EMERGENCY CORRECTIVE ACTION.] To assure an

adequate response to an incident, the commissioner may take corrective action without following the procedures of subdivision 1 if the commissioner determines that the incident constitutes a clear and immediate danger requiring immediate action to prevent, minimize, or mitigate damage to the public health and welfare or the environment. Before taking an action under this subdivision, the commissioner shall make all reasonable efforts, taking into consideration the urgency of the situation, to order a responsible party to take a corrective action and notify the owner of real property where the corrective action is to be taken.

Subd. 4. [LEAD AGENCY.] The department of agriculture is the lead state agency in taking corrective action for incidents.

Sec. 23. Minnesota Statutes 1988, section 18B.17, subdivision 2, is amended to read:

Subd. 2. [EDUCATION AND TRAINING AGREEMENTS.] For purposes of education and training only, the commissioner may enter into agreements or contracts with qualified public or private organizations that wish to offer training programs developed under this chapter. In addition, the commissioner may provide pesticide information and related educational materials to interested clientele and residents of Minnesota.

Sec. 24. Minnesota Statutes 1988, section 18B.18, is amended to read:

18B.18 [INSPECTION.]

Subdivision 1. [ACCESS AND ENTRY.] (a) The commissioner, and the commissioner's agents, upon issuance presentation of a notice of inspection official department credentials, must be granted access at reasonable times without delay to (1) sites where a restricted use pesticide is used; (2) (1) where a person manufactures, formulates, distributes, uses, disposes of, stores, or transports a pesticide in violation of provisions of this chapter; and (3) to all sites (2) which the commissioner reasonably believes are affected, or possibly affected, by the use of a pesticide, rinsate, pesticide container, or device in violation of a provision of this chapter.

(b) The commissioner and commissioner's agents may enter sites for:

(1) inspection of equipment for the manufacture, formulation, distribution, disposal, or application of pesticides and the premises on which the equipment is stored;

(2) sampling of sites actually or reportedly exposed to pesticides;

(3) inspection of storage, handling, distribution, use, or disposal areas of pesticides or pesticide containers;

(4) inspection or investigation of complaints of injury to humans, wildlife, domesticated animals, crops, or the environment;

(5) sampling of pesticides;

(6) observation of the use and application of a pesticide;

(7) inspection of records related to the manufacture, distribution, storage, handling, use, or disposal of pesticides; and

(8) investigating the source, nature, and extent of an incident, and the extent of the adverse effects on the environment; and

(9) other purposes necessary to implement this chapter.

Subd. 2. [NOTICE OF INSPECTION SAMPLES AND ANALYSES.] Before leaving the premises inspected, The commissioner shall provide the owner, operator, or agent in charge with a receipt describing the suspected violation and any samples obtained. The commissioner shall also split any samples obtained and provide these to the owner, operator, or agent in charge for independent analysis if so desired. If an analysis is made of the samples, a copy of the results of the analysis must be furnished to the owner, operator, or agent in charge within 30 days of completion. If an analysis is not completed on the samples obtained, the commissioner shall notify the owner, operator, or agent in charge within 30 days of making this decision.

Subd. 3. [OBTAINING EVIDENCE.] In making inspections under this chapter, the commissioner may administer oaths, certify as to official acts, issue subpoenas to and take and cause to be taken depositions of witnesses, and compel the attendance of witnesses and production of papers, books, documents, records, and testimony. If a person fails to comply with a subpoena lawfully issued, or a witness refuses to produce evidence or testify to a matter regarding which the person may be lawfully interrogated, the district court shall, upon application of the commissioner, compel obedience proceedings for contempt, as in the case of disobedience of the requirements of a subpoena issued by the court or a refusal to testify in the court.

Subd. 4. [REQUEST FOR INSPECTION.] A person who believes that a violation of this chapter has occurred may request an inspection by giving notice to the commissioner of the violation. The notice must be in writing, set forth with reasonable particularity the grounds for the notice, and be signed by the person. If upon receipt of the notice the commissioner reasonably believes that a violation

occurred, the commissioner shall provide the party believed responsible with a copy of the request for investigation, excluding the name of the person who made the request, and notice of intent to investigate. The commissioner shall make a special inspection in accordance with this section as soon as practicable to determine if a violation occurred. An inspection conducted because of a complaint may cover an entire site and is not limited to that portion of the site specified in the notice. If the commissioner determines that there are no reasonable grounds to believe that a violation occurred, the commissioner shall notify the person in writing of that determination.

Subd. 5. [REFUSAL TO PERMIT ENTRY.] Upon the refusal or anticipated refusal, based on a refusal to permit entrance on a prior occasion, of an owner, operator, or agent in charge to permit entry under this chapter, the commissioner may apply for an order in the district court in the county in which a site is located to compel a person with authority to permit the commissioner to enter and inspect the site.

Subd. 6. [EXEMPTIONS FROM SUBPOENA AUTHORITY.] (a) Neither the commissioner nor any employee of the department, including those employees of other approved agencies providing services to the department, is subject to subpoena for purposes of inquiry into any inspection except in enforcement proceedings brought under this chapter.

(b) Once an inspection file is closed by the commissioner, the commissioner shall, upon request from any person, certify as official department records any information contained in a file which is public information.

Subd. 7. [COSTS OF INVESTIGATION.] In addition to any other penalties, the cost of reinspection and reinvestigation may be assessed by the commissioner if the person subject to a corrective action order or remedial action order does not comply with the order in a reasonable time as provided in the order.

Sec. 25. [18B.191] [RESPONSIBILITY FOR COSTS.]

Subdivision 1. [RESPONSIBLE PARTY.] (a) A responsible party is liable for the costs including administrative costs for corrective action under section 16. The commissioner may issue an order for recovery of those costs.

(b) A responsible party is liable for the costs of any destruction of wildlife. Payments of these costs must be deposited in the game and fish fund in the state treasury.

Subd. 2. [AVOIDANCE OF LIABILITY.] (a) A responsible party

may not avoid liability by means of a conveyance of any right, title, or interest in real property or by any indemnification, hold harmless agreement, or similar agreement.

(b) This subdivision does not:

(1) prohibit a person who may be liable from entering an agreement by which the person is insured, held harmless, or indemnified for part or all of the liability;

(2) prohibit the enforcement of an insurance, hold harmless, or indemnification agreement; or

(3) bar a cause of action brought by a person who may be liable or by an insurer or guarantor, whether by right of subrogation or otherwise.

Subd. 3. [OWNER OF REAL PROPERTY.] An owner of real property is not a responsible party for an incident on the owner's property unless that owner:

(1) was engaged in manufacturing, formulating, transporting, storing, handling, applying, distributing, or disposing of a pesticide on the property;

(2) knowingly permitted a person to make regular use of the property for disposal of pesticides; or

(3) violated this chapter in a way that contributed to the incident.

Subd. 4. [DEFENSES.] As a defense to a penalty or liability for damages, a person may prove that the violation was caused solely by an act of God, an act of war, or an act or failure to act that constitutes sabotage or vandalism, or any combination of these defenses.

Sec. 26. [18B.192] [APPORTIONMENT AND CONTRIBUTION.]

Subdivision 1. [RIGHT OF APPORTIONMENT; FACTORS.] A responsible party held liable under this chapter may have the trier of fact apportion liability among the responsible parties under this section. The burden is on each responsible party to show how that responsible party's liability should be apportioned. The trier of fact shall reduce the amount of damages in proportion to any amount of liability apportioned to the party recovering.

In apportioning the liability of a party under this section, the trier of fact shall consider the following:

(1) the extent to which that responsible party contributed to the incident;

(2) the amount of pesticide involved;

(3) the degree of toxicity of the pesticide involved;

(4) the degree of involvement of and care exercised by the responsible party in manufacturing, formulating, handling, storing, distributing, transporting, applying, and disposing of the pesticide;

(5) the degree of cooperation by the responsible party with federal, state, or local officials to prevent harm to the public health or the environment; and

(6) knowledge by the responsible party of the hazardous nature of the pesticide.

Subd. 2. [CONTRIBUTION.] If a responsible party is held liable under this chapter and establishes a proportionate share of the aggregate liability, the provisions of section 604.02, subdivisions 1 and 2, apply with respect to contribution and reallocation of any uncollectible amounts, except that an administrative law judge may also perform the functions of a court identified in section 604.02, subdivision 2.

Sec. 27. [18B.193] [ADMINISTRATIVE PENALTIES.]

Subdivision 1. [FACTORS.] In determining the size of the penalty, the commissioner shall give due consideration to the economic benefit gained by the person by allowing or committing the violation, the gravity of the violation in terms of actual or potential damage to the environment, and the violator's culpability, good faith, and history of violations.

Subd. 2. [DOLLAR LIMIT.] The commissioner may by administrative order assess penalties of up to \$5,000 for a violation of this chapter.

Subd. 3. [PAYMENT.] Penalties assessed under this chapter must be paid to the commissioner for deposit in the pesticide regulatory account. If a violator fails to pay a penalty which is part of a final order within 30 days, the commissioner may commence a civil action for double the assessed penalty and attorney fees and costs. A penalty may be recovered in a civil action in the name of the department brought in the district court of the county where the violation is alleged to have occurred or the district court where the commissioner has an office.

Subd. 4. [COMPLIANCE TIME.] The administrative penalty may

be assessed if the person subject to a corrective action order or remedial action order does not comply with the order in a reasonable time as provided in the order.

Sec. 28. [18B.194] [LIABILITY FOR APPLICATION ACCORDING TO THE LABEL.]

(a) Notwithstanding other provisions relating to liability for pesticide use, a pesticide end user or landowner is not liable for the cost of active cleanup or damages associated with or resulting from a pesticide in groundwater if the end user or landowner has applied or has had others apply the pesticide in compliance with the label or labeling of the pesticide and other state law and orders of the commissioner.

(b) It is a complete defense to liability that the end user or landowner has complied with the provisions in paragraph (a).

Sec. 29. Minnesota Statutes 1988, section 18B.20, is amended by adding a subdivision to read:

Subd. 7. [EMPLOYER LIABILITY FOR EMPLOYEES.] Structural pest control applicators, commercial applicators, noncommercial applicators, and pesticide dealers are civilly liable for violations of this chapter by their employees and agents.

Sec. 30. [18B.205] [ADMINISTRATIVE COMPLIANCE.]

Subdivision 1. [CONTESTED ORDER.] After being served with an order, a person has at least 45 days from receipt of the order within which to notify the commissioner in writing that the person intends to contest the order. If the person fails to properly notify the commissioner that the person intends to contest the order, the order is a final order of the agency and not subject to review by any court or agency.

Subd. 2. [ADMINISTRATIVE REVIEW.] (a) If a person notifies the commissioner that the person intends to contest an order issued under this chapter, the state office of administrative hearings shall conduct a hearing in accordance with the applicable provisions of chapter 14 for hearings. A hearing shall be conducted at a place designated by the commissioner, within the county where the violation occurred, or where the person contesting the order resides or has a principal place of business or any other place on which all the parties agree.

(b) Notwithstanding any provision of chapter 14, the final administrative law report shall be the final decision of the agency. Only an administrative law judge, under rules adopted by the office of

administrative hearings, may entertain an application for reconsideration of a final agency decision.

Subd. 3. [JUDICIAL REVIEW.] (a) The commissioner or any party aggrieved by a final agency decision may seek judicial review of a final agency decision under sections 14.63 to 14.69.

(b) Any additional evidence required by a reviewing court under section 14.67 shall be taken by an administrative law judge. Only an administrative law judge may change the agency decision or any findings contained in it. The administrative law judge shall file with the reviewing court the additional evidence, together with any modifications or new findings or decisions, as provided in section 14.67.

Subd. 4. [EXPENSES.] A prevailing party, including the commissioner, may recover the reasonable and necessary expenses in a contested case or an appeal from a contested case.

Sec. 31. Minnesota Statutes 1988, section 18B.21, is amended to read:

18B.21 [ADMINISTRATIVE ACTION REMEDIES FOR VIOLATIONS.]

Subdivision 1. [ADMINISTRATIVE REMEDIES.] The commissioner may seek to remedy violations of this chapter or the commissioner's orders by (1) a written warning, (2) an administrative meeting, (3) a cease and desist, stop-use, stop-sale, removal, administrative penalty, or other special order, or (4) a seizure, stipulation, or agreement, if the commissioner determines that the remedy is in the public interest.

Subd. 2. [REVOCAION AND SUSPENSION.] The commissioner may, after written notice and hearing, revoke, suspend, or refuse to grant or renew a registration, permit, license, or certification if a person violates a provision of this chapter or has a history, within the last three years, of violations of chapter 18A or 18B.

Subd. 3. [REMEDIAL ACTION ORDERS SERVICE OF ORDER OR NOTICE.] (a) If the commissioner has probable cause that a pesticide, pesticide container, rinsate, pesticide equipment, or device is being used, manufactured, distributed, stored, or disposed of in violation of a provision of this chapter, the commissioner may investigate and issue a written cease and desist, stop-sale, stop-use, or removal order or other remedial action to the owner, custodian, or other responsible party. If the owner, custodian, or other responsible party a person is not available for service of the an order, the commissioner may attach the order to the pesticide, pesticide container, rinsate, pesticide equipment, or device or facility and notify

the owner, custodian, other responsible party, or the registrant. The pesticide, pesticide container, rinsate, pesticide equipment, or device may not be sold, used, or removed until the violation has been corrected and the pesticide, pesticide container, rinsate, pesticide equipment, or device has been released ~~in writing~~ under conditions specified by the commissioner, ~~or until the violation has been otherwise disposed of by an administrative law judge, or a court.~~

(b) If a violation of a provision of this chapter results in conditions that may have an unreasonable adverse effect on humans, domestic animals, wildlife, or the environment, the commissioner may, by order, require remedial action, including removal and proper disposal.

Sec. 32. Minnesota Statutes 1988, section 18B.26, subdivision 1, is amended to read:

Subdivision 1. [REQUIREMENT.] (a) A person may not use or distribute a pesticide in this state unless it is registered with the commissioner. Pesticide registrations expire on December 31 of each year and may be renewed on or before that date for the following calendar year.

(b) Registration is not required if a pesticide is shipped from one plant or warehouse to another plant or warehouse operated by the same person and used solely at the plant or warehouse as an ingredient in the formulation of a pesticide that is registered under this chapter.

(c) An unregistered pesticide that was previously registered with the commissioner may be used only with the written permission of the commissioner.

(d) Each pesticide with a unique EPA registration number or brand name must be registered with the commissioner.

Sec. 33. Minnesota Statutes 1988, section 18B.26, subdivision 5, is amended to read:

Subd. 5. [APPLICATION REVIEW AND REGISTRATION.] (a) The commissioner may not deny the registration of a pesticide because the commissioner determines the pesticide is not essential.

(b) The commissioner shall review each application and may approve, deny, or cancel the registration of any pesticide. The commissioner may impose state use or distribution restrictions on a pesticide as part of the registration to prevent unreasonable adverse effects on the environment.

(c) The commissioner must notify the applicant of the approval,

denial, cancellation, or state use or distribution restrictions within 30 days after, the application and fee are received.

(d) The applicant may request a hearing on any adverse action of the commissioner within 30 days after being notified by the commissioner.

Sec. 34. Minnesota Statutes 1988, section 18B.26, is amended by adding a subdivision to read:

Subd. 6. [WITHDRAWAL.] A person who intends to discontinue a pesticide registration must do one of the following to ensure complete withdrawal from distribution or further use of the pesticide:

(1) terminate a further distribution within the state and continue to register the pesticide annually for two successive years;

(2) initiate and complete a total recall of the pesticide from all distribution in the state within 60 days from the date of notification to the commissioner of intent to discontinue registration; or

(3) submit to the commissioner evidence adequate to document that no distribution of the registered pesticide has occurred in the state.

Sec. 35. [18B.281] [PESTICIDE EDUCATION AND TRAINING.]

Subdivision 1. [EDUCATION AND TRAINING.] The commissioner shall develop, in conjunction with the University of Minnesota extension service, unique and innovative educational and training programs addressing pesticide concerns including, but not limited to: (1) water quality protection; (2) endangered species; (3) pesticide residues in food and water; (4) worker protection; (5) chronic toxicity; (6) integrated pest management; and (7) pesticide disposal. Educational planning session committees must include representatives of industry and of the commissioner. Specific current regulatory concerns must be discussed and, where appropriate, incorporated into each training session. These training materials must be used as a parameter for all educational programs affected by any organization.

Subd. 2. [TRAINING MANUAL AND EXAMINATION DEVELOPMENT.] The commissioner, in conjunction with the University of Minnesota extension service, shall continually revise and update pesticide applicator training manuals and examinations. The manuals and examinations must be written to meet or exceed the minimum standards required by the United States Environmental Protection Agency and pertinent state-specific information. Questions in the examinations must be determined by the responsible agencies. Manuals and examinations must include pesticide man-

agement practices that discuss prevention of pesticide occurrence in groundwaters of the state.

Subd. 3. [PESTICIDE APPLICATOR EDUCATION AND EXAMINATION REVIEW BOARD.] The commissioner shall establish and chair a pesticide applicator education and examination review board. This board shall meet at least once a year before the initiation of pesticide educational planning programs. The purpose of this board is to discuss topics of current concern that can be incorporated into pesticide applicator training sessions and appropriate examinations. This board shall review and evaluate the various educational programs recently conducted and recommend options to increase overall effectiveness. Membership on this board must represent industry, private, nonprofit organizations, and other governmental agencies, including the University of Minnesota, the pollution control agency, and the departments of health, natural resources, and transportation.

Sec. 36. Minnesota Statutes 1988, section 18B.31, subdivision 3, is amended to read:

Subd. 3. [LICENSE.] A pesticide dealer license:

(1) expires on December 31 of each year unless it is suspended or revoked before that date; and

(2) is not transferable to another person- or location; and

(3) must be prominently displayed to the public in the pesticide dealer's place of business.

Sec. 37. Minnesota Statutes 1988, section 18B.32, subdivision 2, is amended to read:

Subd. 2. [LICENSES.] (a) A structural pest control license:

(1) expires on December 31 of the year for which the license is issued; and

(2) is not transferable-; and

(3) must be prominently displayed to the public in the structural pest controller's place of business.

(b) The commissioner shall establish categories of master, journeyman, and fumigator for a person to be licensed under a structural pest control license.

Sec. 38. Minnesota Statutes 1988, section 18B.33, subdivision 1, is amended to read:

Subdivision 1. [REQUIREMENT.] (a) A person may not apply a pesticide for hire without a commercial applicator license for the appropriate use categories except a licensed structural pest control applicator.

(b) A person with a commercial applicator license may not apply pesticides on or into surface waters without an aquatic category endorsement on a commercial applicator license.

(c) A commercial applicator licensee must have a valid license identification card when applying pesticides for hire and must display it upon demand by an authorized representative of the commissioner or a law enforcement officer. The commissioner shall prescribe the information required on the license identification card.

Sec. 39. Minnesota Statutes 1988, section 18B.33, subdivision 3, is amended to read:

Subd. 3. [LICENSE.] A commercial applicator license:

(1) expires on December 31 of the year for which it is issued, unless suspended or revoked before that date; and

(2) is not transferable to another person; and

(3) must be prominently displayed to the public in the commercial applicator's place of business.

Sec. 40. Minnesota Statutes 1988, section 18B.33, subdivision 7, is amended to read:

Subd. 7. [APPLICATION FEES.] (a) A person initially applying for or renewing a commercial applicator license as a ~~business entity~~ must pay a nonrefundable application fee of \$50, ~~except a person who is an employee of a business entity that has a commercial applicator license and is applying for or renewing a commercial applicator license as an individual~~ the nonrefundable application fee is \$25.

(b) If a renewal application is not filed before March 1 of the year for which the license is to be issued, an additional penalty fee of \$10 must be paid before the commercial applicator license may be issued.

Sec. 41. Minnesota Statutes 1988, section 18B.34, subdivision 1, is amended to read:

Subdivision 1. [REQUIREMENT.] (a) Except for a licensed commercial applicator, certified private applicator, or licensed structural pest control applicator, a person, including a government employee, may not use a restricted use pesticide in performance of official

duties without having a noncommercial applicator license for an appropriate use category.

(b) ~~A person with~~ A licensed noncommercial applicator license may not apply pesticides into or on surface waters without an aquatic category endorsement on the license.

(c) A licensee must have a valid license identification card when applying pesticides and must display it upon demand by an authorized representative of the commissioner or a law enforcement officer. The license identification card must contain information required by the commissioner.

Sec. 42. Minnesota Statutes 1988, section 18B.34, subdivision 2, is amended to read:

Subd. 2. [LICENSE.] A noncommercial applicator license:

(1) expires on December 31 of the year for which it is issued unless suspended or revoked before that date; ~~and~~

(2) is not transferable; and

(3) must be prominently displayed to the public in the noncommercial applicator's place of business.

Sec. 43. Minnesota Statutes 1988, section 18B.34, subdivision 5, is amended to read:

Subd. 5. [FEES.] (a) A person initially applying for or renewing a noncommercial applicator license as a business entity must pay a nonrefundable application fee of \$50. ~~A person who is an employee of a business entity that has a noncommercial applicator license and is applying for or renewing a noncommercial applicator license as an individual must pay a nonrefundable application fee of \$25,~~ except an applicant who is a government employee who uses pesticides in the course of performing official duties must pay a nonrefundable application fee of \$10.

(b) If an application for renewal of a noncommercial license is not filed before March 1 in the year for which the license is to be issued, an additional penalty fee of \$10 must be paid before the renewal license may be issued.

Sec. 44. Minnesota Statutes 1988, section 18B.36, is amended to read:

18B.36 [PRIVATE APPLICATOR CERTIFICATION.]

Subdivision 1. [REQUIREMENT.] (a) Except for a licensed commercial or noncommercial applicator, only a person certified as a private applicator may use or supervise the use of a restricted use pesticide to produce an agricultural commodity:

(1) as a traditional exchange of services without financial compensation; or

(2) on a site owned, rented, or managed by the person or the person's employees.

(b) A private applicator may not purchase a restricted use pesticide without presenting a private applicator card or the card number.

Subd. 2. [CERTIFICATION.] (a) The commissioner shall prescribe certification requirements and provide training that meets or exceeds EPA standards to certify persons as private applicators and provide information relating to changing technology to help ensure a continuing level of competency and ability to use pesticides properly and safely. The training may be done through cooperation with other government agencies and must be a minimum of three hours in duration.

(b) A person must apply to the commissioner for certification as a private applicator. After completing the certification requirements, which must include an examination as determined by the commissioner, an applicant must be certified as a private applicator to use restricted use pesticides. The certification is for a period of five three years from the applicant's nearest birthday.

(c) The commissioner shall issue a private applicator card to a private applicator.

Subd. 3. [FEES.] (a) A person applying to be certified as a private applicator must pay a nonrefundable \$10 application fee for the certification period.

(b) A \$5 fee must be paid for the issuance of a duplicate private applicator card.

Sec. 45. Minnesota Statutes 1988, section 18B.37, subdivision 1, is amended to read:

Subdivision 1. [PESTICIDE DEALER.] (a) A pesticide dealer must maintain records of all sales of restricted use pesticides as required by the commissioner. Records must be kept at the time of the sale on forms supplied by the commissioner or on the pesticide dealer's forms if they those forms are approved by the commissioner.

(b) Records must be submitted annually with the renewal application for a pesticide dealer license or upon request of the commissioner.

(c) Copies of records required under this subdivision must be maintained by the pesticide dealer for a period of five years after the date of the pesticide sale.

Sec. 46. Minnesota Statutes 1988, section 18B.37, subdivision 2, is amended to read:

Subd. 2. [COMMERCIAL AND NONCOMMERCIAL APPLICATORS.] (a) A commercial ~~or noncommercial~~ applicator, or the applicator's authorized agent, ~~must~~ shall maintain a record of pesticides used on each site. A noncommercial applicator, or the applicator's authorized agent, shall maintain a record of restricted use pesticides used on each site. The record must include the:

- (1) date of the pesticide use;
- (2) time the pesticide application was completed;
- (3) brand name of the pesticide, EPA registration number, and dosage used;
- (4) number of units treated;
- (5) temperature, wind speed, and wind direction;
- (6) location of the site where the pesticide was applied;
- (7) name and address of the customer;
- (8) name and signature of the applicator, company name, license number of the applicator, and address, and signature of the applicator or company; and
- (9) any other information required by the commissioner.

(b) Portions of records not relevant to a specific type of application may be omitted upon approval from the commissioner.

(c) All information for this record requirement must be contained in a single page document for each pesticide application, except a map may be attached to identify treated areas. For the rights-of-way and wood preservative categories, the required record may not exceed five pages. Invoices An invoice containing the required information may constitute the required record.

(d) A commercial applicator must give a copy of the record to the customer when the application is completed.

(e) Records must be retained by the applicator, company, or authorized agent for five years after the date of treatment.

Sec. 47. Minnesota Statutes 1988, section 18B.37, subdivision 3, is amended to read:

Subd. 3. [STRUCTURAL PEST CONTROL APPLICATORS.] (a) A structural pest control applicator must maintain a record of each structural pest control application conducted by that person or by the person's employees. The record must include the:

- (1) date of structural pest control application;
- (2) target pest;
- (3) brand name of the pesticide, EPA registration number, and amount of pesticide used;
- (4) for fumigation, the temperature and exposure time;
- (5) time the pesticide application was completed;
- (6) name and address of the customer;
- (6) (7) structural pest control applicator's company name and address, applicator's signature, and license number; and
- (7) (8) any other information required by the commissioner.

(b) Invoices All information for this record requirement must be contained in a single page document for each pesticide application. An invoice containing the required information may constitute the record.

(c) Records must be retained for five years after the date of treatment.

(d) A copy of the record must be given to a person who ordered the application that is present at the site where the structural pest control application is conducted, placed in a conspicuous location at the site where the structural pest control application is conducted immediately after the application of the pesticides, or delivered to the person who ordered an application or the owner of the site.

Sec. 48. Minnesota Statutes 1988, section 18B.37, subdivision 4, is amended to read:

Subd. 4. [STORAGE, HANDLING, AND DISPOSAL PLAN.] A commercial, noncommercial, or structural pest control applicator or the licensed business that the applicator is employed by must develop and maintain a plan that describes its pesticide storage, handling, and disposal practices. The plan must be kept at a principal business site or location within this state and must be submitted to the commissioner upon request on forms provided by the commissioner. The plan must be available for inspection by the commissioner.

Sec. 49. [18B.41] [PESTICIDE MANAGEMENT PLAN.]

Subdivision 1. [PLAN SPECIFICATIONS.] The commissioner shall develop a pesticide management plan for the prevention, evaluation, and mitigation of occurrences of pesticides or pesticide breakdown products in groundwaters and surface waters of the state. The pesticide management plan must include components promoting prevention, developing appropriate responses to the detection of pesticides or pesticide breakdown products in groundwater and surface waters, and providing responses to reduce or eliminate continued pesticide movement to groundwater and surface water as outlined in subdivisions 3 to 8.

The pesticide management plan shall be coordinated and developed with other state agency plans and with other state agencies through the environmental quality board. In addition, the University of Minnesota extension service, farm organizations, farmers, environmental organizations, and industry shall be involved in the pesticide management plan development.

Subd. 2. [DEFINITIONS.] The definitions in this subdivision apply to this section.

(a) "Pesticide" means a pesticide active ingredient as defined in section 18B.01, subdivision 18, or the breakdown product or metabolite of the pesticide active ingredient.

(b) "Specific management plan" means a plan applied to a pesticide and may be specific to a pesticide-sensitive groundwater protection area that incorporates voluntary chemical and nonchemical activities, procedures, and practices or pesticide use restrictions established by the department of agriculture in consultation with the University of Minnesota agricultural extension service due to determination of common detection of a pesticide in groundwater.

(c) "Nonpoint source" means the presence of a pesticide in groundwater or surface water from normal registered use of a pesticide.

(d) "Pesticide-sensitive groundwater protection areas" means a geographically definable area with characteristics of susceptibility

to pesticide migration to groundwater and containing criteria as stipulated in article 1, section 5, subdivision 2.

(e) "Best management practices" means practices as defined in article 1, section 2, subdivision 2.

(f) "Water resources protection measures" has the meaning given it in article 1, section 2, subdivision 5.

(g) "Monitoring" means a program designed for the collection of data, through a network of groundwater quality sampling stations or surface water sampling points, for scientific inquiry and statistically significant analysis.

Subd. 3. [PESTICIDE-SENSITIVE GROUNDWATER PROTECTION AREAS.] The commissioner shall designate pesticide-sensitive groundwater protection areas based on criteria established in article 1, section 7, subdivision 2, and may involve cooperation with the department of natural resources, the pollution control agency, the University of Minnesota, and other pertinent local, state, or federal agencies. Pesticide-sensitive groundwater protection areas must be based on factors associated with susceptibility of groundwater to the leaching or direct movement of pesticides to the groundwater.

Upon designation of pesticide-sensitive groundwater protection areas the commissioner shall conduct an assessment of the likelihood of certain pesticides to migrate to groundwater. Determination of pesticide mobility must be based on the best currently available data and may involve pesticide registrants data and state and federal data bases. Mobile pesticide determination must include pesticide use, physiochemical properties, and previous groundwater detection information.

The commissioner shall increase regulatory efforts in pesticide-sensitive groundwater protection areas, provide additional and increased pesticide educational and training activities for prevention of movement of pesticides to water resources.

Subd. 4. [PESTICIDE USE INFORMATION.] The commissioner shall monitor urban and rural pesticide use on a biennial basis. Information shall be collected and automated consistent with article 6, section 7.

Subd. 5. [BEST MANAGEMENT PRACTICES.] The commissioner shall promote best management practices that minimize the potential for pesticide movement to water resources throughout the state. Within a pesticide-sensitive groundwater protection area the commissioner shall promote additional appropriate best management practices and may consult with representatives of farmers,

local and state agencies, the University of Minnesota, federal agencies, and the pesticide industry. The best management practices for agricultural and urban pesticide use must be practical and appropriate for implementation in the pesticide-sensitive groundwater protection areas. In addition to agronomic and horticultural best management practices, increased and expanded pesticide educational programs for counties with designated pesticide groundwater protection areas shall be provided in cooperation with the Minnesota extension service.

Subd. 6. [EVALUATION OF DETECTION.] The commissioner shall evaluate the detection of pesticides in groundwaters of the state to determine the probable source and possible courses of action. Evaluation of the detection of the presence of a pesticide may include, but is not limited to, the following items:

(1) the methods of sample collection, handling, and confirmation mechanisms;

(2) the adherence of the reporting laboratory to good laboratory practices;

(3) the adequacy of the quality control and quality assurance programs;

(4) the physiochemical properties of the pesticide and their relationship, if any, to the detection;

(5) the general climatological, geographical, and hydrogeological factors that may impact the detection of the pesticide;

(6) the relationship of the concentration detected to the health based standard;

(7) the information available of the construction of the well from which the sample was obtained;

(8) the information available on pesticide use in the area;

(9) other potential pesticide sources; and

(10) the adherence to label directions, including precautions on the pesticide product label.

If conditions indicate a likelihood that the detection of the pesticide to be a result of normal registered use, the commissioner shall evaluate the need for increased promotion of best management practices and water resources protection measures to mitigate potential nonpoint source impact. Monitoring and subsequent evaluation shall occur on an as needed basis to determine if the pesticide

is commonly detected and the potential nonpoint impacts of the pesticide in similar conditions.

Subd. 7. [SPECIFIC PESTICIDE MANAGEMENT PLAN.] The commissioner shall develop a specific pesticide management plan for a pesticide if the pesticide has been determined to be commonly detected in groundwater as a result of normal registered use following evaluation by the commissioner. Each specific pesticide management plan must be designed to minimize movement to groundwater through a series of efforts such as increased educational activities, increased training and certification, and increased enforcement activities.

The commissioner shall develop and implement a focused groundwater monitoring and hydrogeologic evaluation following common pesticide detection to evaluate contamination frequency and concentration trend. Assessment of the site-specific and pesticide-specific conditions and the likelihood of common detection must include monitoring, pesticide use information, physical and chemical properties of the pesticide hydrogeologic information and review of information, and data from other local, state, or federal monitoring data bases.

The specific pesticide management plan must be developed following evaluation, increased monitoring efforts, and site-specific and pesticide-specific information. The specific management plan must include best management practices and water resources protection measures and pesticide use restrictions commensurate with applicable information obtained by the commissioner, the severity of the groundwater contamination and the trend assessment. The specific pesticide management plan must involve the registrant and be coordinated with the department of natural resources, the pollution control agency, the University of Minnesota agricultural extension service, the Minnesota environmental education board, the environmental quality board, the state planning agency, the department of health, the board of water and soil resources, and may include consultation with appropriate federal agencies, local governmental units, farm organizations, and the pesticide industry. The specific pesticide management plan shall be updated at no more than two-year intervals.

Subd. 8. [ACTIONS TO COMMON DETECTIONS WITH CONCENTRATIONS OR TRENDS GREATER THAN HEALTH LIMITS.] The commissioner shall impose additional use restrictions, or label modifications or cancel a pesticide use when:

(1) common detections of pesticides exceed previous or newly established limits as described in article 1, section 5 or, where applicable, state drinking water standards; or

(2) if trend analysis indicates that common detections will exceed

limits as described in article 1, section 5 or, where applicable, state drinking water standards notwithstanding implementation of best management practices and water resources protection measures or previous use restrictions.

Restrictions may include limitations on product purpose, rate, time of application, frequency of application, method of application, application to soil types or crops, or geographic area of application. Restrictions may be altered based on continued trend analysis of common pesticide detections.

Subd. 9. [RULES.] The commissioner shall adopt permanent rules necessary to implement this section. The rules must contain at a minimum:

(1) an education and information plan to promote pesticide best management practices and water resources protection measures in pesticide-sensitive groundwater protection areas;

(2) investigation and monitoring procedures to assess unusual pesticide detections in groundwater;

(3) procedures to implement best management practices and water resources protection measures, increased monitoring, and trend evaluation following the common detection of pesticides; and

(4) regulatory actions to be taken if trend analysis or common detections indicate exceedance of limits as described in article 1, section 5 or, where appropriate, state drinking water standards.

Sec. 50. [PESTICIDE CONTAINER COLLECTION AND RECYCLING PILOT PROJECT.]

Subdivision 1. [PESTICIDE; DEFINITION.] For the purposes of this section, "pesticide" means a substance or mixture of substances intended to prevent, destroy, repel, or mitigate a pest, and a substance or mixture of substances intended for use as a plant regulator, defoliant, or desiccant.

Subd. 2. [PROJECT.] The department of agriculture, in consultation and cooperation with the commissioner of the pollution control agency and the director of the Minnesota extension service, shall design and implement a pilot collection project, to be completed by June 30, 1991, to:

(1) collect, recycle, and dispose of empty, triple-rinsed pesticide containers;

(2) develop, demonstrate, and promote proper pesticide container management; and

(3) evaluate the current pesticide container management methods and the cause and extent of the problems associated with pesticide containers.

Subd. 3. [COLLECTION AND DISPOSAL.] The department of agriculture shall provide for the establishment and operation of temporary collection sites for pesticide containers. The department may limit the type and quantity of pesticide containers acceptable for collection.

Subd. 4. [INFORMATION AND EDUCATION.] The department shall develop informational and educational materials, in consultation and cooperation with the Minnesota extension service, to promote proper methods of pesticide container management.

Subd. 5. [REPORT.] During the pilot project, the department of agriculture shall conduct surveys and collect information on proper and improper pesticide container storage and disposal. By November 30, 1991, the department shall report to the legislature its conclusions from the project and recommendations for additional legislation or rules governing management of pesticide containers.

Subd. 6. [MANAGEMENT AND DISPOSAL.] The department of agriculture or other entity collecting pesticide containers must manage and dispose of the containers in compliance with applicable federal and state requirements.

Sec. 51. [REVISOR'S INSTRUCTION.]

In the next and subsequent editions of Minnesota Statutes, the sections in column A shall be renumbered as the sections in column B.

Column A

18A.49
18B.08
18B.15
18B.18
18B.20
18B.21
18B.22

Column B

18B.40
18B.285
18B.19
18B.15
18B.21
18B.18
18B.20

Cross-references to these sections within Minnesota Statutes must also be corrected.

Sec. 52. [COMPLEMENT ADJUSTMENT.]

The complement for the department of agriculture is reduced by four positions in the fertilizer and pesticide management programs for special revenue funds under articles 2 and 3 of this act.

Sec. 53. [REPEALER.]

Minnesota Statutes 1988, sections 18B.16; 18B.19; 18B.20, subdivision 6, are repealed.

ARTICLE 4

WASTE PESTICIDE COLLECTION

Section 1. [115.84] [DEFINITIONS.]

Subdivision 1. [COLLECTION SITE.] "Collection site" means a permanent or temporary designated location with scheduled hours for collection where pesticide end users may bring their waste pesticides.

Subd. 2. [LOCAL UNIT OF GOVERNMENT.] "Local unit of government" means a statutory or home rule charter city, town, county, soil and water conservation district, watershed district, any other special purpose district, and local or regional board.

Subd. 3. [PESTICIDE.] "Pesticide" means a substance or mixture of substances intended to prevent, destroy, repel, or mitigate a pest, and a substance, mixture, or substances intended for use as a plant regulator, defoliant, or desiccant.

Subd. 4. [PESTICIDE END USER.] "Pesticide end user" means a farmer or other person who owns a pesticide. Pesticide end user does not include the manufacturer, formulator, or packager.

Subd. 5. [WASTE PESTICIDE.] "Waste pesticide" means a pesticide that the pesticide end user considers a waste. A waste pesticide can be a canceled pesticide, an unusable pesticide, or a usable pesticide.

Sec. 2. [115.84] [WASTE PESTICIDE COLLECTION PROGRAM.]

Subdivision 1. [COLLECTION AND DISPOSAL.] The agency may establish and operate a program to collect and dispose of waste pesticides. The program shall be made available to pesticide end users whose waste generating activity occurs in the state of Minnesota.

Subd. 2. [IMPLEMENTATION.] In conducting the program the agency will comply with all applicable federal and state laws. The agency may obtain a United States Environmental Protection Agency hazardous waste identification number to manage the waste pesticides collected. The agency may limit the type and quantity of

waste pesticides accepted for collection and may assess pesticide end users for portions of the costs incurred.

Subd. 3. [INFORMATION AND EDUCATION.] The agency may provide informational and educational materials in consultation and cooperation with the Minnesota extension service regarding waste pesticides and the proper management of waste pesticides to the public.

Subd. 4. [DEPARTMENT OF AGRICULTURE.] The agency shall develop the program in this section in consultation and cooperation with the commissioner of agriculture.

Subd. 5. [AUTHORITY.] The agency may adopt rules to administer this section.

Subd. 6. [COOPERATIVE AGREEMENTS.] The agency may enter into cooperative agreements with state and local units of government for administration of the collection program.

ARTICLE 5

WATER SUPPLY MONITORING AND PROTECTION

Section 1. Minnesota Statutes 1988, section 156A.01, is amended to read:

156A.01 [LEGISLATIVE INTENT.]

It is ~~The~~ legislative intent and purpose ~~in~~ of sections 156A.01 to ~~156A.08~~ 156A.09 is to reduce and minimize the waste of ground water groundwater resources within this state by reasonable legislation in licensing of drillers or makers of water wells and the regulation of exploratory borings in Minnesota ~~and to~~. Sections 156A.01 to 156A.09 are also intended to protect the health and general welfare by providing a means for the development and protection of the natural resource of underground water in an orderly, sanitary and reasonable manner. In furtherance of the above intents and purposes, To carry out the intent of sections 156A.01 to 156A.09 and in recognition of the effects of that exploration and mining of metallic minerals: have on groundwater resources, the legislature finds that it is necessary to require submission to the state of factual data generated by exploratory borings to the state, for the purpose of controlling: (1) control possible adverse environmental effects of mining, to; (2) preserve the natural resources, and to; (3) encourage the planning of future land utilization, while at the same time promoting; (4) promote the orderly development of mining, the encouragement of; (5) encourage good mining practices; and the recognition (6) recognize and identification of identify the beneficial aspects of mining.

Sec. 2. Minnesota Statutes 1988, section 156A.02, is amended to read:

156A.02 [DEFINITIONS; EXCLUSIONS.]

Subdivision 1. For the purposes of sections 156A.01 to 156A.08 156A.09, the following terms have the meanings given them in this section.

Subd. 1a. [WATER WELL.] "Water well" means any excavation that is drilled, cored, bored, washed, driven, dug, jetted, or otherwise constructed when the intended use of the same excavation is intended for the location, diversion, artificial recharge, or acquisition extraction of groundwater; ~~provided, however, that the term~~ Water well includes monitoring well as defined in subdivision 13. Water well does not include excavation by backhoe, or otherwise for temporary dewatering of groundwater for nonpotable use during construction, where the depth thereof of the excavation is 25 feet or less; nor shall it include an excavation other than exploratory boring made for the purpose of obtaining to obtain or prospecting prospect for oil, natural gas, minerals, or products of mining or quarrying, or for the inserting excavation to insert media to repressure oil or natural gas bearing formations or for storing to store petroleum, natural gas, or other products; nor an excavation for nonpotable use for wildfire suppression activities.

Subd. 2. [WATER WELL CONTRACTOR OR CONTRACTOR.] For the purposes of sections 156A.01 to 156A.08, "Water well contractor" and "contractor" means any person, firm, ~~co~~partnership partnership, association or corporation, who ~~shall construct constructs, abandon, or repair repairs, or seals~~ a water well or ~~seals~~ a water well upon land other than its own for compensation.

Subd. 2a. [WATER WELL DRILLING MACHINE.] "Water well drilling machine" means any machine or device such as a cable tool, rotary, hollow rod, or auger, used for construction, ~~abandonment, or~~ repair, or sealing of a water well or a hole excavated for an elevator or a hydraulic cylinder.

Subd. 3. Sections 156A.01 to 156A.08 shall not require licensing of (1) an individual who drills a water well on land which is owned or leased by the individual and is used by the individual for farming or agricultural purposes or as the individual's place of abode, or (2) to an individual who performs labor or services for a water well contractor in connection with the drilling, abandonment, or repair of a water well at the direction and at the personal supervision of a licensed water well contractor; provided, however, that the individual shall comply with all other provisions of sections 156A.01 to 156A.08 and with any rule or well code adopted thereunder.

Subd. 4. [EXPLORER.] For the purposes of sections 156A.01 to

156A.08 "Explorer" means a person who has the right to drill any exploratory boring.

Subd. 5. [EXPLORATORY BORING.] For the purposes of sections 156A.01 to 156A.08 "Exploratory boring" means any surface drilling done for the purpose of exploring to explore or prospecting prospect for oil, natural gas, and metallic minerals, including but not limited to the following: iron, copper, zinc, lead, gold, silver, titanium, vanadium, nickel, cadmium, molybdenum, chromium, manganese, cobalt, zirconium, beryllium, thorium, uranium, aluminum, platinum, palladium, radium, tantalum, tin, and niobium. "Exploratory boring" does not include drilling done in the Biwabik iron formation in relation to natural iron ore or activities regulated pursuant according to section 298.48.

Subd. 6. [GROUNDWATER THERMAL EXCHANGE DEVICE.] For the purposes of sections 156A.02 to 156A.10 "Groundwater thermal exchange device" means any heating or cooling device, the operation of which is dependent upon extraction and reinjection of groundwaters from an independent aquifer. Thermal exchange devices licensed under this chapter shall be sealed against the introduction of any foreign substance into the system, but shall be so constructed as to permit periodic inspection of water quality and temperature.

Subd. 7. [VERTICAL HEAT EXCHANGER.] For the purposes of sections 156A.02 to 156A.11 "Vertical heat exchanger" means any earth-coupled heating or cooling device consisting of a sealed piping system installed vertically in the ground for the purpose of transferring to transfer heat to or from the surrounding earth.

Subd. 8. [ELEVATOR SHAFT.] "Elevator shaft" means any bore hole, jack hole, drilled hole, or excavation constructed to install an elevator shaft or hydraulic cylinder for elevators.

Subd. 9. [ELEVATOR SHAFT CONTRACTOR.] "Elevator shaft contractor" means a person, firm, partnership, or corporation licensed by the commissioner to drill or excavate holes to install elevator shafts and hydraulic cylinders.

Subd. 10. [ENVIRONMENTAL BORE HOLE.] "Environmental bore hole" means a hole drilled, cored, bored, washed, driven, dug, or jetted in the ground used to monitor chemical, radiological or biological contaminants. An environmental bore hole does not include any other well, boring, or other excavation as defined in this chapter.

Subd. 11. [MONITORING WELL.] "Monitoring well" means any excavation that is drilled, cored, bored, washed, driven, dug, jetted, or otherwise constructed for the purpose of extracting groundwater for physical, chemical, or biological testing. Monitoring well in-

cludes water wells installed to measure groundwater levels or to test hydrologic properties in an area being investigated for potential or existing groundwater contamination.

Subd. 12. [MONITORING WELL CONTRACTOR.] "Monitoring well contractor" means a person who is registered by the department to construct monitoring wells and who is a professional engineer registered according to sections 326.02 to 326.15 in the branches of civil or geological engineering, or a geologist or hydrogeologist certified by the American Institute of Professional Geologists, the American Institute of Hydrologists, the National Water Well Association, or other organizations approved by the commissioner.

Subd. 13. [WELLHEAD PROTECTION AREA.] "Wellhead protection area" means the surface and subsurface area surrounding a water well or well field that supplies a public water system, through which contaminants are likely to move toward and reach the water well or well field.

Sec. 3. Minnesota Statutes 1988, section 156A.03, is amended to read:

156A.03 [REGULATION AND LICENSING.]

Subdivision 1. [COMMISSIONER OF HEALTH REGULATES WATER WELL AND MONITORING WELL WORK AND EXCAVATION FOR ELEVATOR SHAFTS AND HYDRAULIC CYLINDERS.] The state commissioner of health shall regulate and license the: (1) drilling and, constructing, and repair of all water wells within this state; (2) sealing of unused wells; (3) installing of water well pumps and pumping equipment; (4) excavating or drilling holes for the installation of elevator shafts and hydraulic cylinders for elevators and sealing of holes excavated for the installation of elevator shafts and hydraulic cylinders for elevators; and (5) installing and sealing environmental bore holes. The commissioner of health shall examine and license water well contractors and, limited water well contractors, and elevator shaft contractors and shall examine and register monitoring well contractors. The commissioner of health shall establish standards for installing and sealing environmental bore holes. After consultation with the commissioner of natural resources and the pollution control agency, the commissioner shall establish standards for the design, location, construction, abandonment, and repair and sealing of water wells within this state. As provided in section 156A.071, the commissioner shall license explorers engaged in exploratory boring and shall examine individuals who supervise or oversee exploratory boring.

Subd. 2. [WATER WELL CONTRACTORS MUST BE LICENSED.] No contractor person shall drill, construct, abandon, or repair a water well within this state unless in possession of a valid

license to do so issued annually by the state commissioner of health. An applicant who is otherwise qualified but who does not have practical field experience in the operation of conventional drilling machines such as a cable tool, rotary, hollow rod, or auger, but who does install unconventional wells such as drive point, or who is in the well repair service which involves modification to the well casing, screen, depth, or diameter below the upper termination of the well casing, shall have the license limited to such water well contracting work.

A person who desires to drill, construct, repair, or seal one or more wells in this state must apply to the commissioner of health for a water well contractor's license. In the application, the person must set out qualifications for the license, the equipment the person will use in the contracting, and other information required by the commissioner. The application must be on forms prescribed by the commissioner. The commissioner shall charge a fee of \$50 according to section 144.122 for the filing of the application by any person. The commissioner shall not act upon any application until the fee has been paid. When the commissioner has approved the application, the applicant shall take an examination given by the commissioner.

Subd. 2a. [LIMITED LICENSES REQUIRED FOR CERTAIN WORK.] (a) A limited water well contractor, as defined in section 156A.02, subdivision 12, may obtain a license limited to the following work:

- (1) modifying or repairing well casings, well screens, or well diameters;
- (2) constructing unconventional wells such as drive points or dug wells;
- (3) sealing wells; or
- (4) installing water well pumps or pumping equipment; or
- (5) excavating holes to install elevator shafts or hydraulic cylinders for elevators.

(b) No person shall perform the work described in this subdivision, within this state, unless the individual possesses a valid license issued annually by the commissioner of health. A person performing the work under this section must apply to the commissioner for a license. In the application, the person must set out qualifications for the license, the equipment the person will use in the contracting, and other information required by the commissioner. The application must be on forms prescribed by the commissioner. The commissioner shall charge a fee of \$50 for the filing of the application. The commissioner shall not act upon an application until the fee has

been paid. When the commissioner has approved the application, the applicant shall take an examination given by the commissioner.

Subd. 3. [MONITORING WELL CONTRACTORS MUST BE REGISTERED.] A professional engineer registered pursuant to the provisions of sections 326.02 to 326.15, in the branches of civil or geological engineering, shall not be required to be licensed as a water well contractor under the provisions of this section to drill test borings or to install piezometer wells for engineering purposes, or to construct groundwater quality sampling and monitoring wells as defined in rules promulgated by the commissioner. Test holes, piezometer wells installed for engineering purposes, and other wells described by this subdivision, shall be constructed, maintained and abandoned in accordance with this chapter and the rules promulgated thereunder.

Any A professional engineer or other certified professional engaged in the practice of constructing groundwater quality sampling and sealing monitoring wells as described in this subdivision section 156A.02, subdivision 11, and environmental bore holes as described in section 156A.02, subdivision 10, shall register with the commissioner on forms provided by the commissioner. A monitoring well contractor shall not be required to be licensed as a water well contractor.

After December 31, 1990, a person seeking initial registration as a monitoring well contractor under this subdivision must meet examination and experience requirements that the commissioner establishes in rule.

Subd. 4. [EXEMPTIONS FROM LICENSING REQUIREMENTS.] (a) Sections 156A.01 to 156A.09 do not require licensing of (1) an individual who drills a water well on land that is owned or leased by the individual and is used by the individual for farming or agricultural purposes or as the individual's place of abode, or (2) an individual who performs labor or services for a water well contractor in connection with the drilling, repair, or sealing of a water well at the direction and at the personal supervision of a licensed water well contractor. An individual exempt under this subdivision must comply with sections 156A.01 to 156A.09 and with any rule adopted under those sections.

(b) Test holes, piezometer wells installed for engineering purposes, and other wells described by this subdivision, shall be constructed, maintained, and sealed according to sections 156A.01 to 156A.09, and the rules adopted under those sections.

Subd. 5. [BONDING REQUIREMENTS.] As a condition of licensing water well contractors, limited water well contractors or registering monitoring well contractors under this section, a person seeking a license or registration shall give a \$10,000 bond to the state. The bond shall be conditioned upon the faithful and lawful

performance of work contracted for or performed by the person in Minnesota. The bond shall be for the benefit of persons injured or suffering financial loss by reason of failure of the performance. The bond shall be in lieu of all other license bonds to any political subdivision of the state. The bond shall be written by a corporate surety licensed to do business in Minnesota.

Subd. 6. [LICENSE AND REGISTRATION FEE; ISSUANCE OF LICENSE OR REGISTRATION.] On successfully passing the examination for original license or registration required under subdivision 2 or 3, and showing evidence of bonding required in subdivision 5, the applicant shall submit to the commissioner a license fee of \$250 or a registration fee of \$50. Upon receiving the fee and bond information, the commissioner may issue a license or registration.

Subd. 7. [NONTRANSFERABILITY OF LICENSES AND REGISTRATION; RENEWAL PROCEDURES.] A license or registration issued under this section is not transferable. The person licensed or registered must submit to the commissioner an application to renew the license or registration on a date set by the commissioner. The renewal application must be accompanied by a fee set by the commissioner under section 144.122. The application must also include documentation that the person has met requirements for continuing education that the commissioner establishes by rule. The person must also pay a penalty fee set by the commissioner under section 144.122 if the person submits the renewal application after the required renewal date. If a person submits a renewal application after the required renewal date, the person shall not perform the work for which the person was licensed or registered from the renewal date until the date the person submits an application, fee, and penalty fee.

Subd. 8. [REGISTRATION OF DRILLING MACHINES REQUIRED.] As part of the application for licensing or registration, or annual renewal of a license or registration, a person licensed or registered under this section must pay an annual fee of \$5 for the registration with the commissioner of each drilling machine used to construct water wells and monitoring wells and to excavate holes for elevator shafts or hydraulic cylinders, and \$5 for the registration of each machine such as a pump hoist used to repair wells, seal wells, or install pumps.

Subd. 9. [FEES DEPOSITED WITH STATE TREASURER.] Fees collected for licenses or registration under this section shall be submitted to the department for deposit in the general fund.

Subd. 10. [RECIPROCITY.] The commissioner may license or register, without giving an examination, a person who is licensed or registered in any state, territory, or possession of the United States, or any foreign country, if: (1) the requirements for licensing or registration under which the water well contractor was licensed or

registered do not conflict with sections 156A.01 to 156A.09; (2) the requirements are of a standard not lower than that specified by the rules adopted under sections 156A.01 to 156A.09; and (3) equal reciprocal privileges are granted to licensees of this state. A person who seeks a license or registration under this subdivision must apply for the license or registration and pay the fees required under this section.

Subd. 11. [POLITICAL SUBDIVISIONS CANNOT REQUIRE ADDITIONAL LICENSES OR REGISTRATION.] No political subdivision shall require a person licensed or registered under this section to pay a license or registration fee. However, a political subdivision shall be provided upon request with a list of licensed water well contractors, limited water well contractors, elevator shaft contractors, and monitoring well contractors.

Sec. 4. [156A.041] [REQUIREMENTS FOR WATER WELL AND MONITORING WELL CONSTRUCTION AND SEALING AND ELEVATOR SHAFT EXCAVATION AND SEALING.]

Subdivision 1. [WRITTEN CONTRACT REQUIRED.] A person licensed or registered under sections 156A.01 to 156A.09 shall not construct or seal a well or excavate or seal a hole for an elevator shaft or hydraulic cylinder until the well owner or owner of the property on which the water well or hole for the elevator shaft or hydraulic cylinder is located and the person signs a written contract that describes the nature of the work to be performed and the estimated cost of the work. A person may not construct a monitoring well until the owner of the property on which the well is located and the well owner sign a written contract that describes the nature of the work to be performed, the estimated cost of the work, and provisions for sealing the well.

Subd. 2. [WATER WELLS MUST BE IDENTIFIED.] When a water well has been constructed, the contractor shall attach to the well a label showing the unique well number, the depth of the well, the contractor's name, and the date the well was constructed.

Subd. 3. [NONCONFORMING MONITORING WELL.] Any monitoring well whose casing is completed less than 12 inches above grade, may only be constructed if there is no alternative location for constructing a well that ends at least 12 inches above grade. All these monitoring wells must be constructed and sealed in accordance with rules to be adopted by the commissioner.

Subd. 4. [DISTANCE REQUIREMENTS FOR SOURCES OF CONTAMINATION.] No person may place, construct, or install an actual or potential source of contamination any closer to a well than the isolation distances set in the Minnesota water well code adopted under section 156A.05 unless a variance has been issued by the

commissioner according to the procedures in the water well construction code.

Subd. 5. [REPORT OF WORK.] Within 30 days after completion or sealing of a well or completion of an excavation for or sealing of an elevator shaft or hydraulic cylinder, a person licensed or registered under this chapter or a person exempt under section 156A.03, subdivision 4, paragraph (a), clause (1), shall submit to the commissioner of health a verified report upon forms provided by the commissioner. The report must contain the following information: (1) the name and address of the owner of the well, elevator shaft or hydraulic cylinder shaft and the actual location of the well or elevator shaft or hydraulic cylinder shaft; (2) a log of the materials and water encountered in connection with drilling, and related pumping tests; and (3) other information the commissioner may require concerning the drilling or sealing of the well or hole for an elevator shaft or hydraulic cylinder. Within 30 days after receiving the report, the commissioner of health shall send one copy of the report to the commissioner of natural resources, the local soil and water conservation district within which the well or elevator shaft or hydraulic cylinder shaft is located, and one copy to the director of the Minnesota geological survey.

Sec. 5. [156A.042] [ENVIRONMENTAL BORE HOLES.]

Any environmental bore hole shall be constructed, sealed, and reported in accordance with rules to be adopted by the commissioner.

Sec. 6. [156A.043] [RIGHTS AND DUTIES OF OWNER OF PROPERTY ON WHICH A WATER WELL IS LOCATED.]

Subdivision 1. [DISCLOSURE OF WELLS TO BUYER.] Effective July 1, 1990, before signing an agreement to sell or transfer property, the seller or transferor shall disclose in writing to the buyer or transferee information about the status and the location of all wells on the property. In the disclosure, the seller or transferor must indicate, for each well, whether it is in use, not in use, or permanently sealed. At the time of sale, the same information must be provided on the certificate of value required pursuant to section 272.115, or on some other form prescribed by the commissioner. The well information shall be signed by the seller or transferor of the property or a person authorized to act on behalf of the seller. If a seller fails to provide the well information, a buyer or a person authorized to act on behalf of the seller, may sign the well information portion based on the information provided on the disclosure required by this section or based on other available information. The county recorder shall not record a deed, instrument, or writing for which a certificate of value is required under section 272.115, unless the well information required by this section has been provided. The owner shall retain a copy.

Subd. 2. [FAILURE TO DISCLOSE AT TIME OF SALE.] If a seller or transferor fails to disclose the existence of a well at the time of sale, and knew or had reason to know of the existence of a well, the seller or transferor is liable to the buyer for costs and damages related to the sealing of a well and reasonable attorney fees. The right of action must be exercised by the buyer or transferee within six years after the date the buyer purchased or transferee received the property on which the well is located.

Subd. 3. [WHO MUST SEAL WELLS.] To seal wells, the owner of property on which a well is located shall employ a licensed water well contractor or a contractor with a license to seal unused wells. The owner of property with monitoring wells, or holes for elevator shafts, or hydraulic cylinders for elevators shall employ a licensed water well contractor, a contractor with a license to seal unused wells, or a monitoring well contractor to seal monitoring wells no longer in use; and an elevator shaft contractor to seal holes no longer used for elevator shafts or shafts for hydraulic cylinders for elevators.

Subd. 4. [OWNER'S CAUSE OF ACTION.] The owner of the property on which a water well or a shaft for an elevator or hydraulic cylinder for an elevator is located has a cause of action for civil damages against a person whose action or inaction caused contamination of the well. The right of an owner to maintain a cause of action extends for a period of six years after the owner knows or becomes aware of the contamination of the well. The court may award damages, reasonable attorneys' fees, and costs and disbursements.

Sec. 7. [156A.044] [PERMITS FOR GROUNDWATER THERMAL EXCHANGE DEVICES.]

Subdivision 1. [PERMIT REQUIRED.] Notwithstanding any department or agency rule to the contrary, the commissioner shall issue, upon request by the owner of the property and submission of a \$50 fee, permits for the reinjection of water by a properly constructed well into the same aquifer from which the water was drawn for the operation of a groundwater thermal exchange device.

Subd. 2. [PROCEDURES FOR GROUNDWATER EXCHANGE.] Withdrawal and reinjection shall be accomplished by a closed system in which the waters drawn for thermal exchange have no contact or commingling with water from other sources or with any polluting material or substances. The closed system must be constructed to allow opening for inspection by the commissioner. Wells that are part of a groundwater thermal exchange system shall serve no other function. However, water may be supplied to the domestic water system if the supply is taken off the thermal exchange system ahead of the heat exchange unit, and if the water discharges to a break tank through an air gap that is at least twice the effective

diameter of the water inlet to the tank. A groundwater thermal exchange system may be used for domestic water heating only if the water heating device is an integral part of the heat exchange unit that is used for space heating and cooling.

Subd. 3. [LIMITATIONS AND REQUIREMENTS FOR PERMITS.] As a condition of the permit issued under subdivision 1, an applicant shall agree to allow inspection by the commissioner of health during regular working hours for department inspectors. A maximum of 200 permits shall be issued for small systems having maximum capacities of 20 gallons per minute or less. The small systems shall be subject to inspection twice a year. A maximum of ten permits shall be issued for larger systems having maximum capacities from 20 to 50 gallons per minute. These larger systems shall be subject to inspection four times a year. The commissioner may adopt rules to administer this section.

Subd. 4. [REQUIREMENTS FOR WATER APPROPRIATION APPLY.] Water appropriation permit requirements and penalties provided in sections 105.41 to 105.416 and related rules adopted and enforced by the department of natural resources apply to groundwater thermal exchange permit recipients. A person issued a permit under subdivision 1 must comply with this section for the permit to be valid. Noncompliance subjects the person to sanctions for the noncomplying activity that are available to the department of health and pollution control agency.

Sec. 8. [156A.047] [VERTICAL HEAT EXCHANGER; LICENSING AND REGULATION.]

Subdivision 1. [LICENSE REQUIREMENTS.] No water well contractor shall drill or construct any excavation used to install a vertical heat exchanger unless the water well contractor has a valid water well contractor's license.

Subd. 2. [REGULATIONS FOR VERTICAL HEAT EXCHANGERS.] Vertical heat exchangers must be constructed, maintained, and sealed according to sections 156A.01 to 156A.09, and rules adopted under those sections.

Subd. 3. [PERMIT REQUIRED.] No water well contractor shall install a vertical heat exchanger without first obtaining a permit from the commissioner of health. The water well contractor must apply for the permit on forms provided by the commissioner and must pay a \$50 fee. As a condition of the permit, the owner of the property on which the vertical heat exchanger is to be installed shall agree to allow inspection by the commissioner, or an agent, during regular working hours of department of health inspectors.

Sec. 9. Minnesota Statutes 1988, section 156A.05, is amended to read:

156A.05 [POWERS AND DUTIES OF THE COMMISSIONER OF HEALTH.]

Subdivision 1. [POWERS OF COMMISSIONER.] The state commissioner of health ~~shall possess all~~ possesses the powers reasonable and necessary to exercise effectively the authority granted by sections 156A.01 to ~~156A.08~~ 156A.09.

Subd. 1a. [DUTIES.] The commissioner shall:

(1) regulate the drilling, construction, and sealing of water wells within this state;

(2) examine and license water well contractors, persons modifying or repairing well casings, well screens, or well diameters; constructing unconventional wells such as drive points or dug wells; sealing wells; installing water well pumps or pumping equipment; and excavating or drilling holes for the installation of elevator shafts or hydraulic cylinders for elevators; and sealing holes for elevator shafts and hydraulic cylinders for elevator shafts;

(3) register and examine monitoring well contractors;

(4) license explorers engaged in exploratory boring and examine individuals who supervise or oversee exploratory boring;

(5) after consultation with the commissioner of natural resources and the pollution control agency, establish standards for the design, location, construction, repair, and sealing of water wells and holes for elevator shafts or hydraulic cylinders within the state; and

(6) issue permits for construction and maintenance of groundwater thermal devices, vertical heat exchangers, and excavation for holes to install elevator shafts or hydraulic cylinders.

Subd. 2. [COMMISSIONER TO ADOPT RULES.] The commissioner of health shall by December 31, 1971, in the manner prescribed by chapter 15, hold a public hearing and promulgate adopt rules necessary under chapter 14 to carry out the purposes of sections 156A.01 to ~~156A.08~~ 156A.09 including, but not limited to:

(a) Issuance of licenses for qualified water well contractors, persons modifying or repairing well casings, well screens, or well diameters; constructing unconventional wells such as drive points or dug wells; sealing wells; installing water well pumps or pumping equipment and excavating holes for installing elevator shafts or hydraulic cylinders; and issuance of registration for monitoring well contractors.

(b) Establishment of conditions for examination and review of applications for license.

(c) Establishment of conditions for revocation and suspension of license.

(d) Establishment of minimum standards for design, location, construction, ~~abandonment, and repair,~~ and sealing of wells and holes dug to construct elevator shafts or hydraulic cylinders, to effectuate carry out the purpose and intent of sections 156A.01 to 156A.08 156A.09. The use of plastic water well casing is expressly permitted and the commissioner shall adopt appropriate construction procedures and material standards in rule.

(e) Establishment of a system for reporting on wells drilled and abandoned by licensed water well contractors sealed.

(f) Establishment of standards for the construction, maintenance, sealing, and water quality monitoring of wells in areas of known or suspected contamination.

(g) Establishment of wellhead protection measures for water wells serving public water supplies.

(h) Establishment of procedures for coordinating collection of well data with other state and local governmental agencies.

(i) Establishment of criteria and procedures for submission of reports, formation samples or cuttings, water samples, or other special information required for geologic and water resource mapping.

Subd. 3. [INSPECTIONS BY COMMISSIONER.] The state commissioner of health may inspect and have access at all reasonable times to any well site, including water wells drilled, abandoned sealed, or repaired or being drilled, abandoned, or repaired, and shall have access to same at all reasonable times. The commissioner may also collect water samples from the wells.

Subd. 4. [COMMISSIONER MAY ORDER REPAIRS AND SEALING OF WELLS.] The commissioner may order the owner of a well to take remedial measures, including making repairs, reconstructing or ~~abandoning~~ sealing the well in accordance with according to rules of the commissioner. The order may be issued if the commissioner determines, based upon inspection of the well and site or an analysis of water from the well, that any of the following conditions exist:

(1) the well is contaminated,

(2) the well has not been abandoned in accordance with sealed according to the rules of the commissioner,

(3) the well is in such a state of disrepair that its continued existence endangers the quality of the groundwater located, constructed, or maintained in such a manner that its continued use or existence endangers the quality of the groundwater or provides a health or safety hazard,

(4) the water well does not produce water because it is not equipped with an operable pump or the electrical supply has been disconnected from the well, or

(5) the well is located in such a place or constructed in such a manner that its continued use or existence endangers the quality of the groundwater the water well has construction failure that may include holes in the casing, collapsed holes, plugged screens, or pumps only sediment or sand.

The order may be enforced in an action to seek compliance brought by the commissioner in the district court of the county in which the well is located.

The owner has a cause of action for civil damages against any person whose action or inaction caused contamination of the well. The right of an owner to maintain a course of action as provided herein extends for a period of six years after the owner knows or becomes aware of the contamination of the well. The court shall award damages, reasonable attorneys' fees, and costs and disbursements.

Subd. 5. [COMMISSIONER MAY RECOVER COSTS.] Failure to comply with a commissioner's order to seal a water well may result in the commissioner entering into a contract to have the well sealed. Any expense incurred by the state in sealing a well pursuant to an order to seal shall constitute and be a lien in favor of the state against the land involved. The state may recover its costs by either of the following means:

(a) The amount of the expense shall be certified to the county auditor, who shall enter the expense upon the tax books, as a special assessment upon the land, to be collected in the same manner as other real estate taxes on the parcel for the next year.

(b) If the amount certified in paragraph (a) exceeds \$1,000, the state may allow the assessment to be collected in ten equal annual installments payable to the county treasurer with the taxes on the property next due. When collected by the county treasurer the amount shall be reimbursed to the state treasurer.

(c) The lien attaches to real property on which the well is located. The lien is perfected by filing a copy of the lien with the county recorder or registrar of deed where the well and property are located and serving or mailing by return receipt a copy of the lien to the property owner.

Subd. 6. [SATISFACTION OF LIEN.] The amount due of a lien under this section may be paid at any time. When the amount of the lien is paid, the commissioner must execute a satisfaction of the lien and record the satisfaction with the county recorder or registrar of deeds where the lien was filed.

Subd. 7. [APPROPRIATION OF RECOVERED COSTS.] Costs of sealing wells recovered from property owners shall be deposited in the state treasury and credited to the account from which the amounts were originally appropriated.

Sec. 10. Minnesota Statutes 1988, section 156A.06, is amended to read:

156A.06 [WATER WELL CONTRACTORS AND EXPLORATORY BORERS ADVISORY COUNCIL ON WATER WELLS AND EXPLORATORY BORING; MEMBERS; TERMS; EMPLOYEES.]

Subdivision 1. [ADVISORY COUNCIL ESTABLISHED.] There is hereby created (a) The advisory council on water well contractors and wells, exploratory borers advisory council, herein referred to as the borings, and elevator shaft excavations ("advisory council;") is established as an advisory council to the state commissioner of health. The advisory council shall be composed consist of ~~16~~ 15 voting members. Of the ~~16~~ 15 voting members;

(1) one member shall be from the state department of health, appointed by the state commissioner of health;

(2) one member shall be from the department of natural resources, appointed by the commissioner of natural resources;

(3) one member shall be a member of the Minnesota geological survey of the University of Minnesota appointed by the director; ~~two~~ members

(4) one member shall be engaged in the business of exploratory boring for minerals a licensed exploratory borer;

(5) one member shall be a licensed elevator shaft contractor;

(6) two members must be members of the public members who are

not connected with the business of exploratory boring or the water well drilling industry;

(7) one member shall be from the pollution control agency, appointed by the commissioner of the pollution control agency;

(8) one member shall be a professional engineer monitoring well contractor; one member shall be a certified professional geologist; and

(9) six members shall be contractors must be residents of Minnesota appointed by the commissioner of health, who are actively engaged in the water well drilling industry, with not to exceed more than two from the seven county metropolitan area and at least four from the remainder rest of the state who shall be representative of represent different geographical regions.

(b) They shall be residents of the state of Minnesota and appointed by the commissioner of health. No appointee of the water well drilling industry shall serve more than two consecutive terms. The appointees to the advisory council from the water well drilling industry shall must have been bona fide residents of this state for a period of at least three years prior to before appointment and shall. Members must have had at least five years experience in the water well drilling business. Expiration of the council shall expire; and the terms of the appointed members and the compensation and removal of all members shall be as provided in are governed by section 15.059.

Sec. 11. Minnesota Statutes 1988, section 156A.071, is amended to read:

156A.071 [EXPLORATORY BORING; LICENSING AND REGULATION PROCEDURES.]

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

(a) "Data" includes but is not limited to all samples and factual noninterpreted data obtained from exploratory borings and samples including analytical results;

(b) "Parcel" means a government section, fractional section, or government lot; and

(c) "Samples" means at least a one-quarter portion of all samples from exploratory borings that are customarily collected by the explorer.

Subd. 2. [LICENSING LICENSE REQUIRED.] An explorer en-

gaging in exploratory boring shall obtain a license to do so ~~in accordance with~~ according to the provisions of this chapter and the rules adopted ~~thereunder~~ under this chapter. The explorer may designate a responsible individual who supervises and oversees the making of exploratory borings. Before an individual supervises or oversees an exploratory boring, the individual shall take and pass an examination ~~on those sections of the Minnesota Water Well Construction Code relating to construction, location, and abandonment sealing of wells, which apply to exploratory borings.~~ A professional engineer registered pursuant according to sections 326.02 to 326.15, or a certified professional geologist ~~shall is not be required to take the examination specified required in this section subdivision but shall be required to~~ must be licensed in accordance with according to this section to engage in exploratory boring.

Subd. 3. [REGISTRATION.] At least 30 days ~~prior to before~~ commencing exploratory borings, an explorer shall ~~register with the~~ commissioner of natural resources and provide a copy of the registration to the commissioner of health. The registration shall include:

(a) The identity of the firm, association, or company engaged in exploratory boring; and

(b) The identification of an agent, including the agent's business address. The commissioner of natural resources may require a bond, security, or other assurance from an explorer if the commissioner of natural resources has reasonable doubts as ~~to~~ about the explorer's financial ability to comply with requirements of law relating to exploratory boring. An explorer shall register annually with the commissioner of natural resources while conducting exploratory boring.

Subd. 4. [INFORMATIONAL REQUIREMENTS.] At least ten days ~~prior to the commencement of before~~ beginning exploratory boring, ~~each an~~ explorer shall submit to the commissioner of natural resources a county road map having a scale of one-half inch equal to one mile, as prepared by the state department of transportation, indicating showing the location of each proposed exploratory boring to the nearest estimated 40 acre parcel. The explorer must submit a copy of this map shall be submitted to the commissioner of health.

Subd. 5. [ACCESS TO DRILL SITES.] The commissioner of health, the commissioner of natural resources, the commissioner of the pollution control agency, the agent of a board of community health board as authorized under section 145A.04, and their officers and employees shall have access to exploratory boring sites ~~for the purpose of inspecting to inspect the drill holes, drilling, and abandonment sealing of exploratory borings, and for the purpose of sampling to sample ambient air and drilling waters, and measuring to measure the radioactivity of the waste drill cuttings at the drilling site at the time of on-site observation.~~

Subd. 6. [EMERGENCY NOTIFICATION.] The explorer shall promptly notify the commissioner of health, the commissioner of natural resources, the pollution control agency, and the authorized agent board of health of any occurrence during exploratory boring that has a potential for significant adverse health or environmental effects and. The explorer shall take such reasonable action as may be reasonably possible to minimize such the adverse effects. The commissioner of health may inspect data prior to before its submission as required by subdivision 8, if necessary, to accomplish the purposes of the laws relating to explorers and exploratory borings. The data examined by the commissioner of health shall be considered to be is not public data prior to the time for making any submissions of the data before it is submitted under subdivision 8 or 9.

Subd. 7. [PERMANENT AND TEMPORARY ABANDONMENT SEALING PROCEDURES.] Permanent and temporary abandonment sealing of exploratory borings shall be accomplished pursuant according to rules adopted in accordance with under this chapter.

Subd. 8. [ABANDONMENT SEALING REPORT.] Within 30 days of permanent or temporary abandonment sealing of an exploratory boring, the explorer shall submit on forms provided by the commissioner of health a report to the commissioner of health and the commissioner of natural resources a report to. The report must be on forms provided by the commissioner of health and must include:

- (a) The location of each drill hole at as large a scale as possible, which is normally prepared as part of the explorer's record;
- (b) The type and thickness of overburden and rock encountered;
- (c) Identification of water bearing formations encountered;
- (d) Identification of hydrologic conditions encountered;
- (e) Method of abandonment sealing used;
- (f) Methods of construction and drilling used;
- (g) Average scintillometer reading of waste drill cuttings prior to before backfilling of the recirculation pits.

Subd. 9. [SUBMISSION OF DATA FROM EXPLORATORY BORINGS.] Data obtained from exploratory borings shall be submitted by the explorer to the commissioner of natural resources as follows:

- (a) Upon application for a state permit required for activities relating to mineral deposit evaluation, the explorer shall submit to the commissioner of natural resources data relevant to the proposal

under consideration. The explorer may identify portions of the data ~~which~~ that, if released, would impair the competitive position of the explorer submitting the data. Data so identified shall be considered to be not public data. If requested to disclose the data, the commissioner shall mail notice of the request to the explorer and determine whether release of the data would impair the competitive position of the explorer submitting the data. If the commissioner determines that release of the data would impair the competitive position of the explorer submitting the data, the commissioner shall not release the data to any person other than parties to the proceedings relating to the permit under consideration. Parties to the proceedings shall maintain the confidentiality of data. Further, data ~~which are~~ classified as not public shall not be released by the commissioner until 30 days after mailed notice to the explorer of the commissioner's intention to do so. ~~Under no circumstances shall~~ The commissioner shall not release data to any person engaged in exploration, mining, milling, or related industry pertaining to any mineral. If the commissioner determines to release data, the explorer may demand a contested case hearing on the commissioner's determination or may withdraw the permit application and the data shall not be released. Any person aggrieved by the decision of the commissioner may appeal the decision ~~in accordance with~~ according to chapter 14.

(b) Upon application for a state permit required for mine development, the explorer shall submit to the commissioner of natural resources data relevant to the proposal under consideration. This data shall be considered public data and persons submitting the data shall not be subject to civil or criminal liability for its use by others.

(c) Within six months after termination by the explorer of its lease or any other type of exploration agreement on a property all data shall be submitted. The data shall be considered public data and persons submitting the data shall not be subject to civil or criminal liability for its use by others. Data submitted to the commissioner of natural resources ~~prior to before~~ May 1, 1980 need not be submitted under this section. The commissioner of natural resources shall designate which samples shall be submitted, and shall specify ~~the location to which~~ where the sample shall be delivered. ~~In the event that~~ If the explorer requires certain samples in their entirety, the commissioner of natural resources may waive the requirement for a one-fourth portion of the samples. Samples submitted become property of the state.

(d) As used in this subdivision, "mineral deposit evaluation" means examining an area to determine the quality and quantity of minerals, excluding exploratory boring but including obtaining a bulk sample, by ~~such means as~~ excavating, trenching, constructing shafts, ramps, tunnels, pits and producing refuse and other associated activities. "Mineral deposit evaluation" ~~shall does not~~ include activities intended, by themselves, for commercial exploitation of

the ore body. "Mine development" means those activities undertaken after mineral deposit evaluation for commercial exploitation of the ore body.

Sec. 12. Minnesota Statutes 1988, section 156A.075, is amended to read:

156A.075 [LOCAL CONTROL OF EXPLORERS ALLOWED.]

Nothing contained in ~~Laws 1980, chapter 535~~ shall be construed as ~~limiting~~ chapter 156A limits the lawful authority of local units of government to prohibit mineral exploration within their boundaries, require permits from explorers, or impose reasonable requirements and fees upon explorers, consistent with ~~the provisions of~~ Laws 1980, chapter 535 sections 156A.01 to 156A.09, other state laws, and rules ~~promulgated thereunder~~ adopted under those laws.

Sec. 13. Minnesota Statutes 1988, section 156A.08, is amended to read:

156A.08 [PENALTIES.]

Subdivision 1. [VIOLATIONS ARE GROSS MISDEMEANORS.] Any person who shall A person is guilty of a gross misdemeanor if the person: (1) willfully violate violates any lawful rule or order of the commissioner, or who shall engage; (2) engages in the business of drilling or making water wells, sealing wells, installing pumps or pumping equipment, or excavating holes for elevator shafts or hydraulic cylinders without first having obtained a license as required in sections 156A.01 to 156A.08 required, or who shall engage 156A.09; (3) engages in the business of exploratory boring without either being licensed in accordance with the provisions of under this chapter, or being registered as a professional engineer or certified as a professional geologist; or who shall violate (4) violates any provision of sections 156A.01 to 156A.08, shall be guilty of a gross misdemeanor 156A.09. Any A violation of sections 156A.01 to 156A.08 156A.09 shall be prosecuted by the county attorney in the county in which the said violation occurred or is occurring; and. The trial thereof shall be held in that county.

Subd. 2. [DENIAL OF RENEWAL.] The commissioner may deny an application for renewal of a license or registration if the applicant has violated any provision of sections 156A.01 to 156A.09 or rules adopted under those sections. The following are sufficient grounds to refuse renewal: failure to submit a well report, well sealing report, or report on excavation of holes to install elevator shafts or hydraulic cylinders.

Subd. 3. [SUSPENSION, REVOCATION OF LICENSE OR REGISTRATION.] A license or registration issued under sections

156A.01 to 156A.09 may be suspended or revoked upon finding that the licensee or person registered has violated provisions of sections 156A.01 to 156A.09 or the rules and regulations adopted under sections 156A.01 to 156A.09 that apply to the particular license or registration. Proceedings by the commissioner of health under this section and review of the proceedings shall be according to the administrative procedure act.

Subd. 4. [HEARING.] The commissioner may, after providing a person with reasonable notice and a hearing, suspend or revoke the license or registration of the person upon finding that the person has violated requirements of this chapter or rules adopted under this chapter that apply to the person's license or registration. Proceedings by the commissioner of health according to this section and review shall be according to chapter 14.

Subd. 5. [ADMINISTRATIVE PENALTIES.] The commissioner may seek to remedy violations of this chapter or the commissioner's orders by imposing administrative penalties. The penalties may be appealed within ten days of the order in a contested case hearing under chapter 14.

(a) A well contractor or limited well contractor who seals a well, a monitoring well contractor who seals a monitoring well, or an elevator shaft contractor who seals a hole that was used for an elevator shaft in a manner that does not comply with the water well construction code, shall be assessed \$500.

(b) A well contractor or monitoring well contractor who fails to comply with the rules in the water well construction code relating to location of wells in relation to potential sources of contamination, grouting, materials, or construction techniques shall be assessed \$500.

(c) A well contractor or monitoring well contractor shall be assessed \$250 if the contractor: (1) constructs a well without an approved plan review when a plan review is required; (2) constructs a well without a permit; (3) fails to register a drilling rig or pump rig and fails to display the state decal and the registration number on the machine; or (4) fails to comply with the rules in the water well construction code relating to disinfection of water wells and submission of well construction or well sealing logs and water samples.

(d) A person who fails to disclose or who falsifies information about the status and location of wells on property before signing an agreement of sale or transfer of the property, or on a well certificate shall be assessed \$250 unless the seller or transferor can show that reasonable steps were taken to determine that no unreported wells exist on the property. Steps include examination of historical and land ownership records.

(e) A person who employs a well contractor on the person's property and fails to obtain a permit for construction of the well, or who fails to have a well sealed in accordance with the rules, shall be assessed \$250.

Sec. 14. [156A.09] [DUTIES AND RESPONSIBILITIES OF LOCAL UNITS OF GOVERNMENT.] Upon notice from the commissioner of health, local law enforcement authorities shall impound the equipment of any person who has constructed, repaired, or sealed wells or installed pumps or pumping equipment or excavated holes for installing elevator shafts or hydraulic cylinders without a license or registration as required under this chapter. The equipment shall remain in the custody of the local law enforcement office until a final court order is issued.

Sec. 15. Minnesota Statutes 1988, section 326.37, is amended to read:

326.37 [PLUMBERS; SUPERVISION BY STATE COMMISSIONER OF HEALTH; RULES; VIOLATION; PENALTY.]

Subdivision 1. [MINIMUM STANDARDS.] The state commissioner of health may, by rule, prescribe minimum standards which shall be uniform, and which standards shall thereafter be effective for all new plumbing installations, including additions, extensions, alterations, and replacements connected with any water or sewage disposal system owned or operated by or for any municipality, institution, factory, office building, hotel, apartment building, or any other place of business regardless of location or the population of the city or town in which located. Violation of the rules shall be a misdemeanor.

Subd. 2. [STANDARDS FOR CAPACITY.] By January 1, 1991, all new and replacement floor-mounted water closets may not have a flush volume of more than 1.6 gallons. The water closets must meet the standards of the commissioner and the American National Standards Institute.

Subd. 3. [ADMINISTRATION.] The commissioner shall administer the provisions of sections 326.37 to 326.45 and for such purposes may employ plumbing inspectors and other assistants.

Sec. 16. [REPEALER.]

Minnesota Statutes 1988, sections 156A.02, subdivision 3; 156A.031; 156A.04; 156A.07; 156A.10; and 156A.11, are repealed.

ARTICLE 6

Section 1. Minnesota Statutes 1988, section 116C.41, subdivision 1, is amended to read:

Subdivision 1. [WATER PLANNING.] The board shall:

(1) coordinate public water resource management and regulation activities among the state agencies having jurisdiction in the area;

(2) initiate, coordinate, and continue to develop comprehensive long-range water resources planning in furtherance of the plan adopted by the water planning board entitled "A Framework for a Water and Related Land Resources Strategy for Minnesota, 1979";

(3) coordinate water planning activities of local, regional, and federal bodies with state water planning and integrate these plans with state strategies; ~~and~~

(4) coordinate development of state water policy recommendations and priorities, and recommend a program for funding identified needs, including priorities for implementing the state water resources monitoring plan under clause (5);

(5) develop a plan for monitoring the state's water resources in cooperation with state agencies and local units of government participating in the monitoring of water resources and in the development of comprehensive local water plans;

(6) administer federal water resources planning with multiagency interests;

(7) establish minimum data compatibility standards governing the collection and automation of water resource and related data that has common value for natural resource planning;

(8) identify water resources information and education needs, priorities, and goals and prepare an implementation plan to guide state activities relating to water resources information and education;

(9) coordinate the development and evaluation of water information and education materials and resources;

(10) coordinate the dissemination of water information and education through existing delivery systems;

(11) prepare an interdisciplinary program of instruction on water education for teachers and students in kindergarten through grade 12; and

(12) prepare an annual report on program results.

Sec. 2. Minnesota Statutes 1988, section 116C.41, is amended by adding a subdivision to read:

Subd. 4. [CONSISTENCY OF STATE INFORMATION ACTIVITIES.] State agency information and education activities must be consistent with the implementation plan required under subdivision 1, clause (8).

ARTICLE 7

LOCAL WATER RESOURCES PROTECTION AND MANAGEMENT

Section 1. Minnesota Statutes 1988, section 110B.35, subdivision 3, is amended to read:

Subd. 3. [EX OFFICIO NONVOTING MEMBERS.] The following agencies shall each provide one nonvoting member to the board:

- (1) department of agriculture;
- (2) department of health;
- (3) department of natural resources; ~~and~~
- (4) pollution control agency; and
- (5) the University of Minnesota.

Sec. 2. [110C.01] [SHORT TITLE.]

Sections 2 to 7 may be cited as the "local water resources protection and management program."

Sec. 3. [110C.02] [PURPOSE.]

The purpose of the local water resources protection and management program is to provide state financial and technical assistance to local units of government for local programs to protect and manage water resources within the framework provided by approved comprehensive local water plans.

Sec. 4. [110C.03] [DEFINITIONS.]

Subdivision 1. [SCOPE.] For the purposes of sections 5 to 10, the terms defined in this section have the meanings given them.

Subd. 2. [BOARD.] "Board" means the board of water and soil resources.

Subd. 3. [LOCAL UNIT OF GOVERNMENT.] "Local unit of government" means a statutory or home rule charter city, town, county, or soil and water conservation district, watershed district, an organization formed for the joint exercise of powers under section 471.59, a local health board, or other special purpose district or authority with local jurisdiction in water and related land resources management.

Subd. 4. [COMPREHENSIVE LOCAL WATER PLAN.] "Comprehensive local water plan" means a county water plan authorized under section 110B.04, a watershed management plan required under section 473.878, an overall plan required under section 112.46, or a county groundwater plan authorized under section 473.8785.

Sec. 5. [110C.04] [COMPREHENSIVE LOCAL WATER PLANS HAVE PRIORITY FOR FINANCIAL ASSISTANCE.]

State agencies must give priority to local requests that are part of, or responsive to, a comprehensive local water plan when administering programs for water-related financial and technical assistance.

Sec. 6. [110C.05] [LOCAL WATER RESOURCES PROTECTION AND MANAGEMENT GRANTS.]

Subdivision 1. [ESTABLISHMENT; FINANCIAL ASSISTANCE TO COUNTIES.] A local water resources protection and management grants program is established. The board shall provide financial assistance to counties for cooperative local government activities that protect and improve water quality or quantity. These activities may include, but are not limited to, planning, official controls, and other activities to implement comprehensive local water plans.

Subd. 2. [COUNTY SPONSORSHIP.] Funding requests must be submitted to the board by a county. A county must coordinate and submit requests on behalf of other units of government within its jurisdiction. A county may contract with other appropriate local units of government to implement programs conducted under this section. An explanation of the program responsibilities proposed to be contracted with other local units of government must accompany grant requests. A county that contracts with other local units of government is responsible for ensuring that state funds are properly

expended and for providing an annual report to the board describing expenditures of funds and program accomplishments.

Subd. 3. [FINANCIAL ASSISTANCE.] Grants may be used to employ persons and to obtain and use information necessary to implement the following activities:

(1) develop comprehensive local water plans under sections 110B.04 and 473.8785 which have not received state funding for water resources planning as provided for in Laws 1987, chapter 404, section 30, subdivision 5, clause (a); and

(2) implement water resources programs identified as priorities in comprehensive local water plans.

Subd. 4. [LIMITATIONS.] Grants provided to carry out mandated or delegated state programs under this section shall be reviewed by the agency having statutory program authority to assure compliance with minimum state standards. At the request of the agency commissioner, the board shall revoke that portion of the grant used to support a noncompliant program.

Grants provided for the purpose of developing comprehensive local water plans shall not be awarded for greater than a two-year time period.

Subd. 5. [RULES.] The board shall adopt rules that:

(a) establish performance criteria for grant administration for local implementation of state delegated or mandated programs that recognize regional variations in program needs and priorities;

(b) recognize the unique nature of state delegated or mandated programs;

(c) specify that program activities contracted by a county to another local unit of government are eligible for funding;

(d) require that grants from the board shall not exceed the amount matched by participating local units of government; and

(e) specify a process for the board to establish a base level grant amount that all participating counties may be eligible to receive.

Subd. 6. [ELIGIBILITY.] A county requesting funds must have adopted a comprehensive local water plan unless the request is made under subdivision 3, clause (1).

Subd. 7. [PRIORITIES.] The board must consider requests for funding according to the following:

(1) completing comprehensive local water plans under sections 110B.04 and 473.8785;

(2) adoption, administration, and enforcement of official controls;

(3) indicate the participation of several local units of government, including multicounty efforts;

(4) complement goals of federal, state, and local units of government; and

(5) demonstrate long-term commitments to effective water protection and management programs.

Subd. 8. [COORDINATED REVIEW OF COUNTY WATER RESOURCES PROTECTION AND MANAGEMENT PROGRAM.] The board shall consult with appropriate agencies to evaluate grant requests and coordinate project activities with other state, federal, and local resource management projects.

Sec. 7. [110C.06] [WELL SEALING GRANTS.]

Subdivision 1. [POLICY.] The board shall make grants to counties to seal wells. The board may allocate funds to counties to be used to share the cost of sealing priority wells. The county shall use the state funds to pay up to 75 percent, but not to exceed \$2,000 per well, of the cost of sealing priority wells.

Subd. 2. [REPORT.] The board in consultation with the commissioner of health shall make annual reports to the legislature on the status of expenditures and well sealings.

Subd. 3. [SUNSET.] The grant program established under this section shall not continue beyond June 30, 1995. Grants provided between July 1, 1989 and June 30, 1995, are contingent upon biennial appropriation of funds.

Subd. 4. [ELIGIBILITY.] All wells proposed for sealing with grants by the board under this section must be wells identified as part of the priority action in an approved comprehensive local water plan and are wells that qualify for sealing under criteria established by the board.

Subd. 5. [APPLICATION.] (a) Counties shall complete and submit applications for well sealing grants on forms prescribed by the board.

(b) In its application, the county shall provide evidence that it has consulted the local community health service boards, soil and water

conservation districts, and other appropriate local units of government or organizations in preparing the application.

Subd. 6. [BOARD DUTIES.] (a) The board, in selecting counties for participation, shall consult with the commissioners of natural resources, pollution control, and health, and the director of the Minnesota geological survey, and must consider appropriate criteria including the following:

- (1) diversity of well construction;
- (2) diversity of geologic conditions;
- (3) current use of affected aquifers;
- (4) diversity of land use; and
- (5) aquifer susceptibility to contamination by unsealed wells.

(b) The board and the commissioner of health shall establish priorities for sealing wells based upon the following criteria:

- (1) well construction, depth, and condition;
- (2) importance of aquifer as public and private water supply source;
- (3) proximity to known or potential point or nonpoint contamination sources;
- (4) current contamination of the well or aquifer;
- (5) susceptibility of aquifer to contamination by unsealed wells;
- (6) limited availability of alternative sources of drinking water;
- (7) potential for use of the well for monitoring groundwater;
- (8) anticipated changes in land or water use;
- (9) unique conditions such as construction, rehabilitation, or demolition areas; and
- (10) danger to humans or animals of falling into the well.

Subd. 7. [COUNTY DUTIES AND RESPONSIBILITIES.] (a) A county may contract for the administration of the well sealing program with another local unit of government.

(b) A county, or contracted local unit of government, shall contract with landowners to share in the cost of sealing priority wells in accordance with subdivision 6. The contract shall specify that:

(1) sealing must be done in accordance with chapter 156A and the commissioner of health rules relating to sealing of wells;

(2) that payment shall be made to the landowner, upon completion of sealing of the well by a contractor licensed in accordance with chapter 156A; and

(3) that a record of well sealing shall be filed along with a copy of the water well record with the commissioner of health.

(c) The county shall make an annual report to the board, by or before February 15 of each year, on the status of the well sealing grant program including the number and location of wells sealed and the amount spent on each.

(d) The county must consult with local health boards, soil and water conservation districts, planning and zoning departments, and other appropriate organizations during program implementation.

(e) To encourage landowner participation in the program, the county shall publicize in newspapers of general circulation, information regarding availability of state funds to share the cost of sealing wells, may conduct appropriate well sealing workshops and demonstrations, and invite the public to report to the county on the existence of wells that need to be sealed.

Subd. 8. [LANDOWNER RIGHTS AND RESPONSIBILITIES.] The owner shall file the record of well sealing with the county recorder or register of deeds where the sealed well is located.

Sec. 8. Minnesota Statutes 1988, section 115.093, subdivision 5, is amended to read:

Subd. 5. [LOCAL UNIT OF GOVERNMENT.] "Local unit of government" means a statutory or home rule charter city, town, county, soil and water conservation district, watershed district, an organization formed for the joint exercise of powers under section 471.59, an Indian tribe or an authorized Indian tribal organization, and any other special purpose district or authority exercising authority in water and related land resources management at the local level.

ARTICLE 8

WATER APPROPRIATION PRIORITIES

Section 1. [105.406] [NEW ONCE-THROUGH PERMITS PROHIBITED.]

No new water use permits for groundwater may be issued for once-through cooling systems for human comfort constructed after the effective date of this act. The renewal or amendment of existing permits shall be allowed.

Sec. 2. [CONSUMPTIVE WATER USE STUDY.]

The commissioner of natural resources shall conduct a study of consumptive water use and its impact on existing aquifers. The commissioner shall review methods of reducing consumptive groundwater use, including the conversion of once-through cooling systems for human comfort to alternative systems. The commissioner shall report to the legislature by January 1, 1990, the commissioner's recommendations for alternatives to the once-through heating and cooling systems including potential uses for discharge water from the systems, the environmental and economic implications of the alternatives, and other uses for the discharge water. The report shall also describe the relative impact on affected aquifers, examine the efficiency of once-through cooling systems, and make recommendations for corrective action on inefficient systems. The corrective action shall include either upgrading such systems or the conversion to an alternative system within a time schedule to be recommended by the commissioner of natural resources, but not later than January 2, 1994.

Sec. 3. Minnesota Statutes 1988, section 105.41, subdivision 1a, is amended to read:

Subd. 1a. [WATER ALLOCATION RULES, PRIORITIES.] The commissioner shall submit to the legislature by January 1, 1975, for its approval, proposed adopt rules in the manner provided in chapter 14, governing the allocation of waters among potential water users. For the purposes of this section, "consumption" shall mean water withdrawn from a supply which is lost for immediate further use in the area. These rules must be based on the following priorities for the consumptive appropriation and use of water:

First priority: domestic water supply, excluding industrial and commercial uses of municipal water supply, and use for power production that meets the contingency planning provisions of section 105.417, subdivision 5.

Second priority: any use of water that involves consumption of less than 10,000 gallons of water a day. In this section "consumption"

means water withdrawn from a supply that is lost for immediate further use in the area.

Third priority: agricultural irrigation, involving consumption in excess of 10,000 gallons a day, and processing of agricultural products.

Fourth priority: power production involving consumption in excess of 10,000 gallons a day in excess of the use provided for in the contingency plan developed pursuant to section 105.417, subdivision 5.

Fifth priority: other uses, involving consumption in excess of 10,000 gallons a day.

Appropriation and use of surface water from streams during periods of flood flows and high water levels must be encouraged subject to consideration of the purposes for use, quantities to be used, and the number of persons appropriating water.

Appropriation and use of surface water from lakes of less than 500 acres in surface area must be discouraged.

The treatment and reuse of water from nonconsumptive uses shall be encouraged.

Diversions of water from the state for use in other states or regions of the United States or Canada must be discouraged.

No permit may be issued under this section unless it is consistent with state, regional, and local water and related land resources management plans, if regional and local plans are consistent with statewide plans. The commissioner must not modify or restrict the amount of appropriation from a groundwater source authorized in a permit issued under section 105.44, subdivision 8, between May 1 and October 1 of any year, unless the commissioner determines the authorized amount of appropriation endangers any domestic water supply.

Sec. 4. Minnesota Statutes 1988, section 105.418, is amended to read:

105.418 [CONSERVATION OF PUBLIC WATER SUPPLIES.]

During periods of critical water deficiency as determined by the governor and declared by order of the governor, public water supply authorities appropriating water shall adopt and enforce restrictions consistent with rules adopted by the commissioner of natural resources within their areas of jurisdiction. The restrictions must limit lawn sprinkling, car washing, golf course and park irrigation,

and other nonessential uses and have appropriate penalties for failure to comply with the restrictions. The commissioner may adopt emergency rules according to sections 14.29 to 14.36 relating to matters covered by this section during the year 1977. Disregard of critical water deficiency orders, even though total appropriation remains less than that permitted, is grounds for immediate modification of any public water supply authority's appropriator's permit.

ARTICLE 9 APPROPRIATIONS

Section 1. [APPROPRIATION.]

\$440,000 the first year and \$440,000 the second year are appropriated to the commissioner of agriculture from the general fund for the implementation of the pesticide and fertilizer control provisions of this act."

Correct internal references

Delete the title and insert:

"A bill for an act relating to groundwater; establishing best management practices and identification of sensitive areas; adopting health risk limits; changing various requirements and procedures concerning fertilizer, soil amendments, and plant amendments; requiring a study of sustainable agriculture; changing certain pesticide laws; requiring a pesticide management plan; providing for responses to pesticide and fertilizer incidents; reorganizing and revising laws on water wells, exploratory boring, and elevator shafts; providing for local water resources protection and management; establishing water appropriation priorities; amending Minnesota Statutes 1988, sections 17.713; 17.714, subdivisions 1, 3, 6, and by adding a subdivision; 17.715, subdivisions 1, 2, 4, and by adding subdivisions; 17.7155; 17.716, subdivisions 1, 2, and 4; 17.718; 17.719, subdivisions 1, 2, 3, 4, and by adding subdivisions; 17.72; 17.721, by adding a subdivision; 17.722; 17.723; 17.725, subdivision 2, and by adding subdivisions; 17.728, subdivision 1, and by adding subdivisions; 17.7285; 17.73, subdivisions 3 and 5; 18B.01, subdivisions 5, 12, 15, 19, 21, 23, 26, 30, and by adding subdivisions; 18B.04; 18B.07, subdivisions 2, 3, 4, 5, and 7; 18B.08, subdivisions 1, 3, and 4; 18B.15; 18B.17, subdivision 2; 18B.18; 18B.20, by adding a subdivision; 18B.21; 18B.26, subdivisions 1, 5, and by adding a subdivision; 18B.31, subdivision 3; 18B.32, subdivision 2; 18B.33, subdivisions 1, 3, and 7; 18B.34, subdivisions 1, 2, and 5; 18B.36; 18B.37, subdivisions 1, 2, 3, and 4; 43A.08, subdivision 1; 105.41, subdivision 1a; 105.418; 110B.35, subdivision 3; 115.093, subdivision 5; 116C.41, subdivision 1, and by adding a subdivision; 156A.01; 156A.02; 156A.03; 156A.05; 156A.06;

156A.071; 156A.075; 156A.08; 326.37; and 604.02, subdivision 1; proposing coding for new law as Minnesota Statutes, chapters 110C and 115D; proposing coding for new law in Minnesota Statutes, chapters 17; 18B; 105; 115; and 156A; repealing Minnesota Statutes 1988, sections 17.714, subdivisions 4, 4a, and 4b; 17.715, subdivision 3; 17.721; 17.726; 17.727; 17.728, subdivisions 4 and 5; 17.729; 17.73, subdivision 5, paragraph (d); 18B.16; 18B.19; 18B.20, subdivision 6; 156A.02, subdivision 3; 156A.031; 156A.04; 156A.07; 156A.10; and 156A.11."

With the recommendation that when so amended the bill pass.

The report was adopted.

Anderson, G., from the Committee on Appropriations to which was referred:

H. F. No. 601, A bill for an act relating to waste management; defining waste reduction; extending the expiration date of waste advisory councils; authorizing counties to designate waste to landfills; requiring financial reports from landfills; clarifying the limits of political subdivision liability for superfund cleanup at landfills; authorizing the pollution control agency to acquire interests in real estate necessary for superfund; authorizing superfund to reimburse political subdivisions for costs incurred in responding to emergency releases of hazardous materials; making claims for injuries due to petroleum contamination eligible for compensation by the harmful substances compensation fund; authorizing transfer of money from the petroleum tank release cleanup fund; altering the metropolitan council's authority for solid waste planning; raising the solid waste disposal fee in the metropolitan area; clarifying the 1990 ban on disposal of unprocessed waste in the metropolitan area; extending the date until which metalcasters are not liable for payment of solid waste generator fees; requiring a study of solid waste management district legislation; amending Minnesota Statutes 1988, sections 115A.03, by adding a subdivision; 115A.12, subdivision 1; 115A.14, subdivision 2; 115A.46, subdivision 2; 115A.80; 115A.81, subdivision 2; 115A.83; 115A.84; 115A.85, subdivision 2; 115A.86, subdivisions 3 and 5; 115A.893; 115A.906, by adding a subdivision; 115A.94, by adding a subdivision; 115B.04, subdivision 4; 115B.17, by adding a subdivision; 115B.20, subdivision 2; 115B.25, subdivisions 1, 2, 7, and by adding subdivisions; 115B.26; 115B.27, subdivision 1; 115B.28, subdivision 2; 115B.29, subdivision 1; 115B.30, subdivision 3; 115B.34, subdivision 2; 115C.08, subdivision 4, and by adding a subdivision; 116.07, by adding a subdivision; 466.04, subdivision 1; 473.149, subdivisions 2d and 2e; 473.803, by adding a subdivision; 473.823, subdivision 3; 473.831, subdivision 2; 473.833, subdivisions 2 and 2a; 473.843, subdivisions 1 and 2; 473.844,

subdivision 1a; 473.8441, subdivision 5; 473.845, subdivision 2; and 473.848; Laws 1984, chapter 644, section 85, as amended; proposing coding for new law in Minnesota Statutes, chapter 115A; repealing Minnesota Statutes 1988, sections 115A.98; and 115B.29, subdivision 2.

Reported the same back with the following amendments:

Page 5, after line 8, insert:

"Sec. 5. Minnesota Statutes 1988, section 115A.54, subdivision 2a, is amended to read:

Subd. 2a. [SOLID WASTE MANAGEMENT PROJECTS.] (a) The board shall provide technical and financial assistance for the acquisition and betterment of solid waste management projects as provided in this subdivision and section 115A.52. Money appropriated for the purposes of this subdivision must be distributed as grants.

(b) Except as provided in paragraph (c), a project may receive grant assistance up to 25 percent of the capital cost of the project or \$2,000,000, whichever is less.

(c) A recycling project or a project to compost or co-compost waste may receive grant assistance up to 50 percent of the capital cost of the project or \$2,000,000, whichever is less.

(d) Projects without resource recovery are not eligible for assistance. The agency may award grants for transfer stations that will initially transfer waste to landfills provided those transfer stations are part of a planned resource recovery project, and provided the county where the planned resource recovery facility will be located has a comprehensive solid waste management plan approved by the agency and that plan proposes the development of the resource recovery facility. If the proposed resource recovery facility is not in place and operating within five years of the date of the grant award, the recipient shall repay the grant amount to the state.

(e) In addition to any assistance received under clause (b) or (c), a project may receive grant assistance for the cost of tests necessary to determine the appropriate pollution control equipment for the project or the environmental effects of the use of any product or material produced by the project.

(f) In addition to the application requirements of section 115A.51, an application for a project serving eligible jurisdictions in only a single county must demonstrate that cooperation with jurisdictions in other counties to develop the project is not needed or not feasible. Each application must also demonstrate that the project is not financially prudent without the state assistance, because of the

applicant's financial capacity and the problems inherent in the waste management situation in the area, particularly transportation distances and limited waste supply and markets for resources recovered.

(g) For the purposes of this subdivision, a "project" means a processing facility, together with any transfer stations, transmission facilities, and other related and appurtenant facilities primarily serving the processing facility. The board shall adopt rules for the program by July 1, 1985."

Page 7, line 23, before "solid" insert "mixed municipal"

Page 13, line 7, before "The" insert "(a)"

Page 13, line 12, delete everything after the period

Page 13, delete lines 13 to 31 and insert:

"(b) Except as provided in paragraph (c), when a political subdivision is liable as an owner or operator of a disposal facility as defined in section 115A.03, subdivision 10, including a facility owned or operated under a valid joint powers agreement to which the political subdivision is a party, the liability of the political subdivision under this section is limited to \$400,000 for the facility; provided that, if a facility is owned or operated under a joint powers agreement by three or more political subdivisions, the aggregate liability for the facility of all political subdivisions that are parties to the joint powers agreement is limited to \$1,200,000.

(c) The limits under paragraph (b) apply to response costs incurred between the date a request for response action is issued to the political subdivision by the agency and the date one year after the construction certificate of completion for the response action is approved by the commissioner. The limits under paragraph (b) do not apply to response costs incurred outside the dates set forth in this paragraph or to costs incurred to negotiate a consent order or other agreement with the agency concerning any response action.

(d) When a political subdivision subject to the liability limits under paragraph (b) incurs response costs between the dates in paragraph (c) for response actions under a work plan approved by the agency:

(1) the liability of the political subdivision for response costs to which limits apply under paragraph (c) is reduced by the amount spent; and

(2) the agency may reimburse the political subdivision for any

amount spent that exceeds the applicable limit under paragraph (b)."

Page 13, line 35, delete "easements and leases"

Page 13, line 36, after "leases" insert a comma

Page 15, line 36, delete "17" and insert "115B.17, subdivision 15"

Page 16, line 9, delete "16" and insert "115B.04, subdivision 4"

Page 18, line 8, delete "34" and insert "115C.08, subdivision 5"

Page 21, lines 25 and 31, delete "27" and insert "115B.26"

Page 21, line 25, delete "34" and insert "115C.08, subdivision 5"

Page 25, after line 36, insert:

"Sec. 41. Minnesota Statutes 1988, section 473.811, subdivision 4, is amended to read:

Subd. 4. [COUNTY CONTRACTS.] Each metropolitan county may contract for the acquisition or use of existing public or private solid waste facilities or any facilities deemed necessary or useful for resource recovery from solid waste and may contract with any person for the operation or maintenance, or both, of any solid waste facility owned by the county. The contract shall provide for the operation or maintenance, or both, of the facility in accordance with any regulations, criteria, and standards of the agency, the metropolitan council and the county relating thereto. Any contract for the operation or maintenance of a solid waste facility may provide for the sale of solid waste, materials, electric energy, steam or other product to the operator or for a fee payable to the operator, which may be a fixed fee, or a fee based on tonnage or a percentage of income or other measure, or any combination thereof. A metropolitan county may warrant to the operator of a solid waste facility or contract purchaser of any solid waste, materials, electric energy, steam or other product the quality, composition and available quantity of the solid waste, materials, electric energy, steam or other product to be sold or delivered. A metropolitan county may enter into an agreement with a local government unit or the University of Minnesota for the purpose of compensating for the local risks, costs, or other effects of a waste processing facility."

Page 29, line 2, after "council" insert a period

Page 29, delete line 3

Page 35, after line 29, insert:

"Sec. 55. [CLOSED MUNICIPAL LANDFILLS; FINANCIAL ASSURANCE AND CLOSURE REQUIREMENTS.]

A publicly operated mixed municipal solid waste landfill that stops accepting waste before July 1, 1990, is exempt from Minnesota Rules, parts 7035.2665 to 7035.2805, relating to financial assurance requirements.

Nothing in this section may be construed to eliminate public owner or operator responsibility and liability for closure or postclosure care required of facilities under Minnesota Statutes, section 116.07 and the rules adopted under it.

The pollution control agency shall study additional alternatives within the financial assurance requirements set forth in Minnesota Rules, parts 7035.2665 to 7035.2805 and report to the legislative commission on waste management by January 1, 1990.

Sec. 56. [ASH DEMONSTRATION PROJECTS; STATE INDEMNIFICATION.]

Subdivision 1. [SEWAGE SLUDGE ASH PROJECT; REPORT.] The metropolitan waste control commission and the commissioner of transportation shall jointly conduct one or more demonstration projects to determine the long-term potential and effects of the use of sewage sludge ash generated by the commission as a fine aggregate in asphalt for use in state paving projects. The commission and the commissioners of transportation and the pollution control agency shall assess the practicality, costs, and potential environmental effects of use of the ash in asphalt and shall report to the legislative commission on waste management by November 1, 1990. The report must include a description of the projects undertaken, findings, and recommendations for further research needs and the future use of sewage sludge ash in asphalt.

Subd. 2. [SOLID WASTE ASH PROJECT; REPORT.] The Hennepin county board and the commissioner of transportation may jointly conduct a demonstration project to determine the long-term potential and effects of using solid waste ash as an aggregate in asphalt for use in road projects. The commissioners of transportation and the pollution control agency shall assess the practicality, costs, and potential effects of the use of the ash in asphalt and shall submit a report to the legislative commission on waste management by May 1, 1990, to include a description of the projects undertaken, findings, and recommendations for the future research needs and future use of solid waste ash in asphalt.

Subd. 3. [INDEMNIFICATION.] The state, through the general fund, assumes any and all liability related to the projects authorized in this section that is imposed on the metropolitan waste control commission, the commissioner of transportation, the county of

Hennepin, and their employees, agents, and contractors, if the liability is based on classification of the ash as hazardous waste or a pollutant or contaminant under state or federal law. The state assumes the liability only if:

(1) the project is conducted in compliance with a permit issued by the pollution control agency; and

(2) if the entity held liable used due care in implementing the project.

The commissioner of transportation and the commissioner's agents and contractors are not responsible parties under chapters 115 and 115B for a release that occurs as a result of a project authorized by this section.

Sec. 57. [COLLECTOR COMPENSATION REPORT.]

The legislative commission on waste management with the participation of representatives of local government and of the solid waste collection industry shall prepare a report which examines whether and under what circumstances a local unit of government shall ensure just and reasonable compensation to solid waste collectors who are displaced when a local unit of government organizes solid waste collection under Minnesota Statutes, section 115A.94. The commission shall complete its report and recommend for legislative action any compensation mechanism found necessary by January 31, 1990.

Sec. 58. [APPROPRIATION.]

\$10,000 is appropriated for fiscal year 1990 from the general fund for the purposes of section 57.

Page 36, line 5, delete "15" and insert "16" and delete everything after "1989" and insert a period

Page 36, delete lines 6 and 7

Page 36, line 8, delete "16 and 36" and insert "17 and 37"

Page 36, line 11, delete "17 and 18" and insert "18 and 19"

Page 36, line 12, delete "18" and insert "19"

Page 36, line 14, delete "43 and 52" and insert "45 and 54"

Renumber the sections in sequence

Delete the title and insert:

"A bill for an act relating to waste management; defining waste reduction; extending the expiration date of waste advisory councils; authorizing counties to designate waste to landfills; requiring financial reports from landfills; clarifying the limits of political subdivision liability for superfund cleanup at landfills; authorizing the pollution control agency to acquire interests in real estate necessary for superfund; authorizing superfund to reimburse political subdivisions for costs incurred in responding to emergency releases of hazardous materials; making claims for injuries due to petroleum contamination eligible for compensation by the harmful substances compensation fund; authorizing transfer of money from the petroleum tank release cleanup fund; altering the metropolitan council's authority for solid waste planning; raising the solid waste disposal fee in the metropolitan area; clarifying the 1990 ban on disposal of unprocessed waste in the metropolitan area; extending the date until which metalcasters are not liable for payment of solid waste generator fees; requiring a study of solid waste management district legislation; amending Minnesota Statutes 1988, sections 115A.03, by adding a subdivision; 115A.12, subdivision 1; 115A.14, subdivision 2; 115A.46, subdivision 2; 115A.54, subdivision 2a; 115A.80; 115A.81, subdivision 2; 115A.83; 115A.84; 115A.85, subdivision 2; 115A.86, subdivisions 3 and 5; 115A.893; 115A.906, by adding a subdivision; 115A.94, by adding a subdivision; 115B.04, subdivision 4; 115B.17, by adding a subdivision; 115B.20, subdivision 2; 115B.25, subdivisions 1, 2, 7, and by adding subdivisions; 115B.26; 115B.27, subdivision 1; 115B.28, subdivision 2; 115B.29, subdivision 1; 115B.30, subdivision 3; 115B.34, subdivision 2; 115C.08, subdivision 4, and by adding a subdivision; 116.07, by adding a subdivision; 466.04, subdivision 1; 473.149, subdivisions 2d and 2e; 473.803, by adding a subdivision; 473.811, subdivision 4; 473.823, subdivision 3; 473.831, subdivision 2; 473.833, subdivisions 2 and 2a; 473.843, subdivisions 1 and 2; 473.844, subdivision 1a; 473.8441, subdivision 5; 473.845, subdivision 2; and 473.848; Laws 1984, chapter 644, section 85, as amended; proposing coding for new law in Minnesota Statutes, chapter 115A; repealing Minnesota Statutes 1988, sections 115A.98; and 115B.29, subdivision 2."

With the recommendation that when so amended the bill pass.

The report was adopted.

Anderson, G., from the Committee on Appropriations to which was referred:

H. F. No. 622, A bill for an act relating to consumer protection; providing for enhanced civil penalties for deceptive acts targeted at senior citizens or handicapped persons; providing factors a court may consider in determining to impose an enhanced civil penalty;

providing that sums collected must be credited to the account of the state board on aging; amending Minnesota Statutes 1988, section 256.975, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapter 325F.

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

The report was adopted.

Anderson, G., from the Committee on Appropriations to which was referred:

H. F. No. 773, A bill for an act relating to state government; financing the beginning farmer loan program; regulating certain administrative duties of the commissioner of finance; permitting certain financial arrangements; abolishing the water pollution control fund; amending Minnesota Statutes 1988, sections 16A.065; 16A.27, subdivision 5; 16A.58; 16A.631; 16A.641, subdivision 7; 16A.661, subdivision 7; 16A.85, subdivisions 1 and 3; 41B.19, subdivision 5; 41B.195; 115A.58, subdivisions 1, 3, 4, and 5; 115A.59; 116.16, subdivisions 1, 2, 3, 4, 5, and 9; 116.17, subdivisions 1, 3, and 5; 116.18, subdivisions 1, 4, 5, and 6; 124.42, subdivision 3; 136C.44; 216C.37, subdivision 6; 246.50, subdivision 5; 246.64, subdivision 1; 297.13, subdivision 1; 297.32, subdivision 9; and Laws 1987, chapter 396, article 12, section 10; repealing Minnesota Statutes 1988, sections 84B.08; 85A.04, subdivision 2; 115A.57; 136C.42; 136C.43, subdivisions 1, 2, and 3.

Reported the same back with the following amendments:

Pages 20 and 21, delete sections 34 and 35

Page 22, line 31, delete "37" and insert "35"

Renumber the remaining sections in sequence

Amend the title as follows:

Page 1, line 15, delete everything after the first semicolon

Page 1, line 16, delete "subdivision 9;"

With the recommendation that when so amended the bill pass.

The report was adopted.

Anderson, G., from the Committee on Appropriations to which was referred:

H. F. No. 777, A bill for an act relating to public safety; appropriating fees charged by state patrol and capitol complex security division for escort and contracted security services; proposing coding for new law in Minnesota Statutes, chapters 299D and 299E.

Reported the same back with the following amendments:

Page 1, after line 7, insert:

"Section 1. Minnesota Statutes 1988, section 299D.03, subdivision 1, is amended to read:

Subdivision 1. [MEMBERS.] The commissioner is hereby authorized to employ and designate a chief supervisor, a chief assistant supervisor, and such assistant supervisors, sergeants and officers as are provided by law, who shall comprise the Minnesota state patrol. The members of the Minnesota state patrol shall have the power and authority:

(1) As peace officers to enforce the provisions of the law relating to the protection of and use of trunk highways.

(2) At all times to direct all traffic on trunk highways in conformance with law, and in the event of a fire or other emergency, or to expedite traffic or to insure safety, to direct traffic on other roads as conditions may require notwithstanding the provisions of law.

(3) To serve warrants and legal documents anywhere in the state.

(4) To serve orders of the commissioner of public safety or the commissioner's duly authorized agents issued under the provisions of the Drivers License Law, the Safety Responsibility Act, or relating to authorized brake and light testing stations, anywhere in the state and to take possession of any license, permit or certificate ordered to be surrendered.

(5) To inspect official brake and light adjusting stations.

(6) To make appearances anywhere within the state for the purpose of conducting traffic safety educational programs and school bus clinics.

(7) To exercise upon all trunk highways the same powers with respect to the enforcement of laws relating to crimes, as sheriffs, constables and police officers.

(8) To cooperate, under instructions and rules of the commissioner of public safety, with all sheriffs and other police officers anywhere in the state, provided that said employees shall have no power or authority in connection with strikes or industrial disputes.

(9) To assist and aid any peace officer whose life or safety is in jeopardy.

(10) As peace officers to provide security and protection to the governor, governor elect, either or both houses of the legislature, and state buildings or property in the manner and to the extent determined to be necessary after consultation with the governor, or a designee. Pursuant to this clause, members of the state patrol, acting as peace officers have the same powers with respect to the enforcement of laws relating to crimes, as sheriffs, constables and police officers have within their respective jurisdictions.

(11) To inspect school buses anywhere in the state for the purposes of determining compliance with vehicle equipment, pollution control, and registration requirements.

(12) As peace officers to make arrests for public offenses committed in their presence anywhere within the state. Persons arrested for violations other than traffic violations shall be referred forthwith to the appropriate local law enforcement agency for further investigation or disposition.

~~Notwithstanding any provision of law to the contrary, The state may contract for state patrol members to render the services described in clauses (1) and (2) in excess of their regularly scheduled duty hours to a governmental unit pursuant to section 471.59, and patrol members rendering such services shall be compensated in such amounts, manner and under such conditions as the agreement provides.~~

Employees thus employed and designated shall subscribe an oath and furnish a bond running to the state of Minnesota, said bond to be approved and filed in the office of the secretary of state."

Page 1, line 20, delete "and 2" and insert "to 3"

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 4, after the semicolon insert "amending Minnesota Statutes 1988, section 299D.03, subdivision 1;"

With the recommendation that when so amended the bill pass.

The report was adopted.

Anderson, G., from the Committee on Appropriations to which was referred:

H. F. No. 782, A bill for an act relating to transportation; clarifying source of funds to be deposited in the rail service improvement account; requiring the commissioner of transportation to identify areas where insufficient rail service is detrimental to efficient transportation; providing for apportionment of costs for new grade crossings; providing for improvement of existing rail crossings; providing for reimbursement of expenses for maintaining signals and other safety devices; appropriating money; amending Minnesota Statutes 1988, sections 219.071, subdivision 1; 219.072; 222.49; 222.50, subdivisions 4, 5, 6, 7, and by adding a subdivision; 222.63, subdivision 8; and 398A.02; repealing Minnesota Statutes 1988, section 222.50, subdivision 8.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1988, section 219.071, subdivision 2, is amended to read:

Subd. 2. [PAYMENT OF COSTS.] If a grade-crossing surface, as defined in section 219.16, needs improvement, repair or maintenance, the cost for the improvement, repair or maintenance may be paid jointly by the owner or lessee of the track, the road authority having jurisdiction over the public highway involved and funds available to the department for grade-crossing surfaces from the following sources:

(1) money appropriated to the department in the future for the purposes of this section;

(2) available federal funds allocated for the grade-crossing program established by this section; and

(3) money acquired by the department by gift, grant, or contribution from any source for purposes of this section.

Sec. 2. Minnesota Statutes 1988, section 219.072, is amended to read:

219.072 [ESTABLISHMENT OF NEW GRADE CROSSINGS.]

The establishment of all new grade crossings must be approved by the commissioner. When establishment of a new grade crossing is desired, either by the public officials having the necessary authority or by the railroad company, and the public officials and the railroad company cannot agree as to need, location, or type of warning devices required, either party may file a petition with the commissioner setting forth the facts and submitting the matter for determination. The commissioner, after notice as the commissioner deems reasonable, shall conduct a hearing and issue an order determining the matters submitted. If the commissioner approves the establishment of a new grade crossing, the commissioner may in the same order direct that the costs, including the costs of the type of warning devices required, be divided between the railroad company and the public authority involved as the parties may agree, or, if they fail to agree, then as determined by the commissioner on the basis of benefit to the users of each. However, the commissioner may defer determination of the division of costs to a subsequent order to be made on the basis of evidence previously taken.

Sec. 3. [219.265] [MAINTENANCE COSTS.]

A railroad company that incurs expenses for the maintenance of signals or other safety devices used at grade crossings may annually file a claim for reimbursement with the commissioner. The commissioner shall reimburse claimants for up to 50 percent of the costs, as determined by the commissioner, from funds made available for this purpose. The commissioner shall designate by rule the expenses that may be reimbursed under this section.

Sec. 4. Minnesota Statutes 1988, section 222.49, is amended to read:

222.49 [RAIL SERVICE IMPROVEMENT ACCOUNT.]

The rail service improvement account is created in the special revenue fund in the state treasury. The commissioner shall deposit in this account all money appropriated to or received by the department for the purpose of rail service improvement, including bond proceeds as authorized by Article XI, Section 5, Clause (i) of the Minnesota Constitution and federal money, but excluding proceeds of state bonds or other funds appropriated to the commissioner from the state transportation fund for the acquisition or betterment of property pertaining to the state rail bank established by section 222.63, and excluding income of the state rail bank and any other funds appropriated for its maintenance or improvement. All money so deposited is appropriated to the department for expenditure for rail service improvement in accordance with applicable state and federal law. This appropriation shall not lapse but shall be available until the purpose for which it was appropriated has been accomplished. No money appropriated to the department for the purposes of administering the rail service improvement program shall be

deposited in the rail service improvement account nor shall such administrative costs be paid from the account.

Sec. 5. Minnesota Statutes 1988, section 222.50, subdivision 4, is amended to read:

Subd. 4. The commissioner may negotiate and enter into contracts for the purpose of rail line rehabilitation and for the purpose of assisting in the payment of up to 50 percent of the nonfederal share of a rehabilitation project under service improvement and may incorporate funds available from the federal rail service continuation program. The participants in these contracts shall be railroads, rail users and the department, and may be political subdivisions of the state and the federal government. In such contracts, participation by all parties shall be voluntary. The commissioner may provide a portion of the money required to carry out the terms of any such contract by expenditure from the rail service improvement account.

Sec. 6. Minnesota Statutes 1988, section 222.50, subdivision 5, is amended to read:

Subd. 5. In making any contract pursuant to subdivision 4 the commissioner may:

(a) Stipulate minimum operating standards for rail lines designed to achieve reasonable transportation service for shippers and to achieve best use of funds invested in rail line rehabilitation;

(b) Require a portion of the total assistance for improving a rail line to be loaned to the railroad by rail users and require the railroad to reimburse rail users for any loan on the basis of use of the line and the revenues produced when the line has been improved; and

(c) Determine the terms and conditions under which all or any portion of state funds allocated shall be repaid to the department by the railroads. Reimbursement may be made as a portion of the increased revenue derived from the improved rail line. Any reimbursement received by the department pursuant to this clause shall be deposited in the rail service improvement account and shall be appropriated exclusively for rehabilitating other rail lines in the state pursuant to subdivision 4; and

(d) Require, in lieu of reimbursement as provided in clause (c) of this subdivision, that the railroad establish and maintain a separate railroad fund to be used exclusively for rehabilitation of other rail lines in Minnesota, to which a portion of the increase in revenue derived from the improved rail line shall be credited. The terms and conditions for use of money in the fund shall be stipulated in the contract. The contract shall also stipulate a penalty for use of such money in a manner other than as set forth in the contract and

require the railroad to report to the department at such times as the commissioner requires, concerning the disbursement of money from the fund and the general status of rail line improvements.

Sec. 7. Minnesota Statutes 1988, section 222.50; subdivision 7, is amended to read:

Subd. 7. The commissioner may expend money from the rail service improvement account for the following purposes:

(a) To pay interest adjustments on loans guaranteed under the state rail user loan guarantee program;

(b) To pay a portion of the costs of capital improvement projects designed to improve rail service including construction or improvement of short segments of rail line such as side track, team track and connections between existing lines, and construction and improvement of loading, unloading, storage and transfer facilities of a rail user;

(c) To acquire, maintain, manage and dispose of railroad right-of-way pursuant to subdivision 8 and the state rail bank program;

(d) To provide for aerial photography survey of proposed and abandoned railroad tracks for the purpose of recording and reestablishing by analytical triangulation the existing alignment of the in-place track; or

(e) To pay a portion of the costs of acquiring a rail line by a regional railroad authority established pursuant to chapter 398A.

All money derived by the commissioner from the disposition of railroad right-of-way or of any other property acquired pursuant to sections 222.46 to 222.62 shall be deposited in the rail service improvement account.

Sec. 8. Minnesota Statutes 1988, section 222.63, subdivision 8, is amended to read:

Subd. 8. [RAIL BANK MAINTENANCE AND IMPROVEMENT ACCOUNTS.] A special accounts account shall be maintained in the state treasury, designated as the rail bank maintenance account and the rail bank improvement account, to record the receipts and expenditures of the commissioner of transportation for the maintenance and for the acquisition and betterment of rail bank property. Expenditures of proceeds of state transportation bonds and any other amounts appropriated to the commissioner from the state transportation fund shall be recorded in the improvement account. Funds received by the commissioner of transportation from rentals, fees, or charges for the use of rail bank property shall be credited to

the maintenance account and used for the maintenance of that property, and held as a reserve for maintenance expenses in an amount determined by the commissioner, and amounts received in the maintenance account in excess of the reserve requirements shall be transferred to the rail service improvement account. All proceeds of the sale of abandoned rail lines shall be deposited in the rail service improvement account. ~~The improvement account shall be used only for the acquisition and betterment of abandoned rail lines and right-of-way.~~ All money to be deposited in these accounts this rail service improvement account as provided in this subdivision is appropriated to the commissioner of transportation for the purposes of this section. The appropriations shall not lapse but shall be available until the purposes for which the funds are appropriated are accomplished.

Sec. 9. Minnesota Statutes 1988, section 398A.02, is amended to read:

398A.02 [PURPOSE.]

The purpose of the regional railroad authorities act is to provide a means whereby one or more municipalities, with state and federal aids as may be available, may provide for the preservation and improvement of local rail service for agriculture, industry, or passenger traffic and provide for the preservation of abandoned rail right-of-way for future transportation uses, when determined to be practicable and necessary for the public welfare, particularly in the case of abandonment of local rail lines.

Sec. 10. [APPROPRIATION.]

\$250,000 is appropriated for fiscal year 1990 and \$250,000 is appropriated for fiscal year 1991 from the general fund to the commissioner of transportation for the purposes of section 1. If the appropriation for the first year is insufficient, the appropriation for the second year is available in the first year.

Sec. 11. [REPEALER.]

Minnesota Statutes 1988, section 222.50, subdivision 8, is repealed.

Delete the title and insert:

“A bill for an act relating to transportation; clarifying source of funds to be deposited in the rail service improvement account; providing for apportionment of costs for new grade crossings; providing for improvement of existing rail crossings; providing for reimbursement of expenses for maintaining signals and other safety devices; appropriating money; amending Minnesota Statutes 1988,

sections 219.071, subdivision 2; 219.072; 222.49; 222.50, subdivisions 4, 5, and 7; 222.63, subdivision 8; and 398A.02; proposing coding for new law in Minnesota Statutes, chapter 219; repealing Minnesota Statutes 1988, section 222.50, subdivision 8."

With the recommendation that when so amended the bill pass.

The report was adopted.

Long from the Committee on Taxes to which was referred:

H. F. No. 810, A bill for an act relating to natural resources; increasing the amount of levy for the Kanaranzi-Little Rock watershed district administrative fund.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. [ADMINISTRATIVE FUND.]

Notwithstanding Minnesota Statutes, section 112.61, subdivision 3, the administrative fund for the Kanaranzi-Little Rock watershed district consists of an ad valorem tax levy not to exceed a net tax capacity rate computed under this section or \$125,000, whichever is less.

The maximum net tax capacity rate applicable under this section shall be determined as follows:

(a) determine the product of the applicable mill rate limitation imposed under Minnesota Statutes, section 112.61, subdivision 3, for taxes payable in 1988, multiplied by the total assessed valuation of all taxable property subject to the tax; and, at the election of the district, as adjusted by the provisions of Minnesota Statutes 1986, sections 272.64; 273.13, subdivision 7a; and 275.49 for that year;

(b) for taxes payable in 1989, determine the product of (1) the property tax levy limitation for the taxes payable in year 1988 determined under clause (a) multiplied by (2) an index for market valuation changes equal to the assessment year 1988 total market valuation of all taxable property subject to the tax divided by the assessment year 1987 total market valuation of all taxable property subject to the tax; and

(c) for taxes payable in 1990 and subsequent years, determine the product of (1) the property tax levy limitation for the previous year determined pursuant to this subdivision multiplied by (2) an index

for market valuation changes equal to the total market valuation of all taxable property subject to the tax for the current assessment year divided by the total market valuation of all taxable property subject to the tax for the previous assessment year.

For the purpose of determining the property tax levy limitation for the taxes payable in year 1988 and subsequent years under this subdivision, "total market valuation" means the total market valuation of all taxable property subject to the tax without valuation adjustments for tax increment financing under sections 469.174 to 469.179, and high voltage transmission lines under section 273.425."

With the recommendation that when so amended the bill pass.

The report was adopted.

Anderson, G., from the Committee on Appropriations to which was referred:

H. F. No. 1194, A bill for an act relating to insurance; requiring obligors to issue an insurance identification card; requiring a driver or owner to produce an insurance identification card, policy, or written statement; providing for administrative review; exempting certain vehicles; providing for the impoundment of registration plates; providing for a limited license in certain circumstances; defining terms; providing penalties; amending Minnesota Statutes 1988, sections 65B.67, subdivisions 2 and 4; 168.041, subdivisions 4, 4a, and by adding a subdivision; 169.09, subdivision 14; and 171.30, subdivision 1; proposing coding for new law in Minnesota Statutes, chapters 65B and 169; repealing Minnesota Statutes 1988, section 65B.481.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. [65B.482] [DRIVER OR OWNER TO HAVE AN INSURANCE IDENTIFICATION CARD; DEFINITIONS.]

Subdivision 1. [SCOPE.] For the purposes of sections 2 to 14, the terms defined in this section have the meanings given them.

Subd. 2. [INSURANCE IDENTIFICATION CARD.] "Insurance identification card" means a card issued by an obligor to an insured stating that security as required by section 65B.48 has been provided for the insured's vehicle. The card must also state:

- (1) the insured's name;
- (2) the policy number;
- (3) the policy dates of coverage;
- (4) the make, model, and year of the vehicle being covered;
- (5) the vehicle identification number or at least the last three digits of that number; and
- (6) the name of the obligor providing coverage.

Subd. 3. [WRITTEN STATEMENT.] "Written statement" means a notarized written statement by a licensed insurance agent in a form acceptable to the commissioner of public safety stating that security has been provided for the insured's vehicle and the dates of such coverage.

Subd. 4. [POLICY.] "Policy" means the formal written contract between the insured and the obligor detailing the coverage that has been provided for the insured's vehicle.

Sec. 2. [65B.483] [OBLIGOR TO ISSUE AN INSURANCE IDENTIFICATION CARD.]

Every obligor transacting business in this state shall provide at the time of initiating each motor vehicle liability insurance policy and at the time of renewal, an insurance identification card stating:

- (1) the insured's name;
- (2) the policy number;
- (3) the policy dates of coverage;
- (4) the make, model, and year of the vehicle being covered;
- (5) the vehicle identification number or at least the last three digits of that number; and
- (6) the name of the obligor providing coverage.

When an insured has five or more vehicles registered in this state, the obligor may use the designation "all owned vehicles" on each identification card in lieu of a specified description.

Sec. 3. Minnesota Statutes 1988, section 65B.67, subdivision 2, is amended to read:

Subd. 2. [VIOLATION BY OWNER.] Any owner of a motor vehicle or motorcycle with respect to which security is required under sections 65B.41 to 65B.71 who operates the motor vehicle or motorcycle or permits it to be operated upon a public highway, street or road in this state and who knows or has reason to know that the motor vehicle or motorcycle does not have security complying with the terms of section 65B.48, is guilty of a misdemeanor and shall be sentenced as provided in subdivision 4. A person who violates this subdivision within ten years after having two prior convictions under this section, or a statute or ordinance from another state in conformity therewith, is guilty of a gross misdemeanor.

Sec. 4. Minnesota Statutes 1988, section 65B.67, subdivision 4, is amended to read:

Subd. 4. [PENALTY.] Any operator of a motor vehicle or motorcycle who is convicted under the terms of this section, is guilty of a misdemeanor, and shall be sentenced as provided in section 609.03, clause (3). A person who violates this section within ten years after having two prior convictions under this section, or a statute or ordinance from another state in conformity therewith, is guilty of a gross misdemeanor. The operator of a motor vehicle or motorcycle who violates subdivision 3 and who causes or contributes to causing a motor vehicle or motorcycle accident which results in the death of any person or in great bodily harm to any person, as defined in section 609.02, subdivision 7a, is guilty of a gross misdemeanor. Also, the operator's driver's license shall be revoked for not more than 12 months. If the operator is also an owner of the motor vehicle or motorcycle, the registration of the motor vehicle or motorcycle shall also be revoked for not more than 12 months. Before reinstatement of a driver's license or registration, the operator shall file with the commissioner of public safety the written certificate of an insurance carrier authorized to do business in this state stating that security has been provided by the operator as required by section 65B.48. The commissioner shall include a notice of the penalties contained in this section on all forms for registration of motor vehicles or motorcycles required to maintain a plan of reparation security.

Sec. 5. Minnesota Statutes 1988, section 168.041, is amended by adding a subdivision to read:

Subd. 1a. When an owner is convicted under section 169.791, the court shall require the registration plates of the motor vehicle or motorcycle involved in the violation owned by the person to be surrendered to the court for the longer of the following:

(1) the remainder of the period of revocation to be served under section 169.792; or

(2) until the owner obtains proof of insurance referred to in section

169.792, subdivision 10, satisfactory to the commissioner of public safety, indicating that insurance was in effect at the time of the officer's demand.

Sec. 6. Minnesota Statutes 1988, section 168.041, subdivision 4, is amended to read:

Subd. 4. If the court issues an impoundment order, the registration plates and certificates must be surrendered to the court either three days after the order is issued or on the date specified by the court, whichever date is later. The court shall forward surrendered registration certificates to the registrar of motor vehicles within seven days after their surrender. The court may destroy the surrendered registration plates. Except as provided in subdivision 1a, 4a, 5, 6, or 7, no new registration plates may be issued to the violator or owner until the driver's license of the violator has been reissued or reinstated. The court shall notify the commissioner of public safety within ten days after issuing an impoundment order.

Sec. 7. Minnesota Statutes 1988, section 168.041, subdivision 4a, is amended to read:

Subd. 4a. [ADMINISTRATIVE REVIEW.] At any time during the effective period of an impoundment order, a person may request in writing a review of the impoundment order by the commissioner of public safety. Upon receiving a request, the commissioner or the commissioner's designee shall review the order, the evidence upon which the order was based, and any other material information brought to the attention of the commissioner, and determine whether sufficient cause exists to sustain the order. The commissioner shall report in writing the results of the review within 15 days of receiving the request. The review provided in this subdivision is not subject to the contested case provisions of the administrative procedure act in sections 14.01 to 14.70. As a result of this review, the commissioner may authorize the issuance at no cost of new registration plates and a registration certificate to the owner of the vehicle if the owner's driver's license or driving privileges were not revoked under section 169.121 or 169.123 and the owner was not a passenger in the vehicle at the time of the violation.

Review under this subdivision shall take place, if possible, at the same time as any administrative review of the person's license revocation under section 169.123, subdivision 5b or section 169.792, subdivision 8.

Sec. 8. Minnesota Statutes 1988, section 169.09, subdivision 14, is amended to read:

Subd. 14. [PENALTIES.] (a) The driver of any vehicle who violates subdivision 1 or 6 and who caused the accident is punishable as follows:

(1) if the accident results in the death of any person, the driver is guilty of a felony and may be sentenced to imprisonment for not more than ten years, or to payment of a fine of not more than \$20,000, or both;

(2) if the accident results in great bodily harm to any person, as defined in section 609.02, subdivision 8, the driver is guilty of a felony and may be sentenced to imprisonment for not more than five years, or to payment of a fine of not more than \$10,000, or both; or

(3) if the accident results in substantial bodily harm to any person, as defined in section 609.02, subdivision 7a, the driver is guilty of a felony and may be sentenced to imprisonment for not more than three years, or to payment of a fine of not more than \$5,000, or both.

(b) The driver of any vehicle who violates subdivision 1 or 6 and who did not cause the accident is punishable as follows:

(1) if the accident results in the death of any person, the driver is guilty of a felony and may be sentenced to imprisonment for not more than three years, or to payment of a fine of not more than \$5,000, or both;

(2) if the accident results in great bodily harm to any person, as defined in section 609.02, subdivision 8, the driver is guilty of a felony and may be sentenced to imprisonment for not more than one year and one day, or to payment of a fine of not more than \$3,000, or both; or

(3) if the accident results in substantial bodily harm to any person, as defined in section 609.02, subdivision 7a, the driver may be sentenced to imprisonment for not more than one year, or to payment of a fine of not more than \$3,000, or both.

(c) The driver of any vehicle involved in an accident not resulting in substantial bodily harm or death who violates subdivision 1 or 6 may be sentenced to imprisonment for not more than one year, or to payment of a fine of not more than \$3,000, or both.

(d) Any person who violates subdivision 3, clause (b) is guilty of a petty misdemeanor.

(e) Any person who violates subdivision 2, 3, clause (a), 4, 5, 7, 8, 10, 11, or 12 is guilty of a misdemeanor.

The attorney in the jurisdiction in which the violation occurred who is responsible for prosecution of misdemeanor violations of this section shall also be responsible for prosecution of gross misdemeanor violations of this section.

Sec. 9. [169.791] [CRIMINAL PENALTY FOR FAILURE TO PRODUCE AN INSURANCE IDENTIFICATION CARD.]

Subdivision 1. [REQUIREMENT FOR DRIVER WHETHER OR NOT THE OWNER.] Every driver shall have in immediate possession at all times when operating a motor vehicle or motorcycle an insurance identification card indicating that insurance covering the vehicle is in effect and shall produce it, upon demand of a peace officer. If the driver is unable to produce the required proof of insurance upon the demand of a peace officer, the driver shall, within 14 days after the demand, produce an insurance identification card, as defined under section 65B.482, subdivision 2, or policy, as defined under section 65B.482, subdivision 4, or a written statement, as defined under section 65B.482, subdivision 3, stating that security had been provided for the vehicle that was being operated at the time of the demand, or the name and address of the owner to the place stated in the notice provided by the officer. The required proof of insurance may be sent by mail by the driver as long as it is received within 14 days. Except as provided in subdivision 2, any driver who fails to produce proof of insurance as required by this section within 14 days of the demand is guilty of a misdemeanor. The peace officer may mail the citation to the address given by the driver or to the address stated on the driver's license, and such service by mail is valid notwithstanding section 629.34. It is not a defense to service that a person failed to notify the department of public safety of a change of name or address as required under section 171.11. The citation may be sent after the 14-day period. A driver who is not the owner of the motor vehicle or motorcycle does not violate this section unless the driver knew or had reason to know that the owner did not have proof of insurance required by this section.

Subd. 2. [REQUIREMENT FOR DRIVER WHO IS NOT THE OWNER.] If the driver is not the owner of the vehicle, then the driver shall, within 14 days of the officer's demand, provide the officer with proof of insurance or the name and address of the owner. Any driver under this subdivision who fails to provide proof of insurance or to inform the officer of the name and address of the owner within 14 days of the officer's demand is guilty of a misdemeanor.

Subd. 3. [REQUIREMENT FOR OWNER WHO IS NOT THE DRIVER.] The officer may send or provide a notice to the owner of the motor vehicle or motorcycle requiring the owner to produce the insurance identification card or policy for the vehicle that was being operated or a written statement stating that security had been provided for the vehicle that was being operated at the time of the demand. Notice by mail is presumed to be received within five days after mailing and shall be sent to the owner's current address or the address listed on the owner's driver's license. Within 14 days after receipt of the notice, the owner shall produce the required proof of

insurance to the place stated in the notice received by the owner. The required proof of insurance may be sent by mail by the owner as long as it is received within 14 days. Any owner who fails to produce an insurance identification card, policy, or written statement within 14 days of an officer's request is guilty of a misdemeanor. It is an affirmative defense to the owner that the driver used the owner's vehicle without consent or misrepresented his or her insurance coverage to the owner. The peace officer may mail the citation to the owner's current address or address stated on the owner's driver's license. It is not a defense that a person failed to notify the department of public safety of a change of name or address as required under section 171.11. The citation may be sent after the 14-day period.

Subd. 4. [EXEMPTIONS.] Buses or other commercial vehicles operated by the metropolitan transit commission, commercial vehicles required to file proof of insurance pursuant to chapter 221 and school buses as defined in section 171.01, subdivision 21, are exempt from this section.

Subd. 5. [PENALTY.] Any violation of this section is a misdemeanor.

Sec. 10. [169.792] [REVOCAION OF LICENSE FOR FAILURE TO PRODUCE AN INSURANCE IDENTIFICATION CARD.]

Subdivision 1. [IMPLIED CONSENT.] Any driver or owner of a motor vehicle or motorcycle consents, subject to the provisions of this section and section 169.791, to the requirement of having possession of proof of insurance, and to the revocation of the person's license if the driver or owner is unable to produce the required proof of insurance within 14 days of an officer's demand. Any driver of a motor vehicle or motorcycle who is not the owner of the motor vehicle or motorcycle consents, subject to the provisions of this section and section 169.791, to providing to the officer the name and address of the owner of the motor vehicle or motorcycle.

Subd. 2. [REQUIREMENT FOR DRIVER WHETHER OR NOT THE OWNER.] Except as provided in subdivision 3, every driver of a motor vehicle or motorcycle shall, either immediately or within 14 days after the demand of a peace officer, produce an insurance identification card, as defined under section 65B.482, subdivision 2, or policy, as defined under section 65B.482, subdivision 4, or a written statement, as defined under section 65B.482, subdivision 3, stating that security had been provided for the vehicle that was being operated at the time of the demand, to the place stated in the notice provided by the officer. The required proof of insurance may be sent by the driver by mail as long as it is received within 14 days. A driver who is not the owner does not violate this section unless the driver knew or had reason to know that the owner did not have proof of insurance required by this section.

Subd. 3. [REQUIREMENT FOR DRIVER WHO IS NOT THE OWNER.] If the driver is not the owner of the vehicle, then the driver shall within 14 days of the officer's demand provide the officer with proof of insurance or the name and address of the owner.

Subd. 4. [REQUIREMENT FOR OWNER WHO IS NOT THE DRIVER.] The officer may send or provide a notice to the owner requiring the owner to produce the insurance identification card or policy for the vehicle that was being operated or a written statement stating that security had been provided for the vehicle that was being operated at the time of the demand. The notice shall be sent to the owner's current address or the address listed on the owner's driver's license. Within 14 days after receipt of the notice, the owner shall produce the required proof of insurance to the place stated in the notice received by the owner. Notice by mail is presumed to be received within five days after mailing. It is not a defense that a person failed to notify the department of public safety of a change of name or address as required under section 171.11.

Subd. 5. [NOTICE OF REVOCATION.] When an insurance identification card is demanded and none is in possession, the officer shall give the driver written notice as provided herein. If the driver is not the owner and does not produce the required proof of insurance within 14 days of the demand, the officer may send written notice to the owner of the vehicle. The department of public safety shall prescribe a form setting forth the written notice to be provided to the driver or owner. The notice shall specify the place to which the driver or owner must produce the insurance identification card, policy, or written statement. The notice shall also state:

(1) that Minnesota law requires every driver and owner to produce an insurance identification card, policy, or written statement indicating that the vehicle had insurance at the time of an officer's demand within 14 days of the demand, provided, however, that a driver who does not own the vehicle shall provide the name and address of the owner;

(2) that if the driver fails to produce the information within 14 days from the date of demand or if the owner fails to produce the information within 14 days of receipt of the notice from the peace officer, the commissioner of public safety shall revoke the person's driver's license or permit to drive, or nonresident operating privileges. The revocation will be effective beginning 14 days after the date of notification by the officer to the department of public safety. The person's driver's license or permit to drive, or nonresident operating privileges, shall be revoked for the longer of: (i) not less than 30 days, or (ii) until the driver or owner files proof of insurance with the department of public safety satisfactory to the commissioner of public safety;

(3) that any person who displays or causes another to display an

insurance identification card, policy, or written statement, knowing that the insurance is not in force, is guilty of a misdemeanor; and

(4) that any person who alters or makes a fictitious identification card, policy, or written statement, or knowingly displays an altered or fictitious identification card, policy, or written statement, is guilty of a misdemeanor.

Subd. 6. [REPORT TO THE COMMISSIONER OF PUBLIC SAFETY.] If a driver fails to produce a valid insurance identification card, policy, or written statement or name and address of the owner within 14 days of the demand, the officer shall report the failure to the commissioner of public safety and may send a written notice to the owner. If the owner fails to produce a valid insurance identification card, policy, or written statement within 14 days of receipt of the notice, the officer shall report the failure to the commissioner of public safety.

Subd. 7. [LICENSE REVOCATION.] Upon receiving the notification under subdivision 6, the commissioner of public safety shall revoke the person's driver's license or permit to drive, or nonresident operating privileges. The revocation shall be effective beginning 14 days after the date of notification by the officer to the department of public safety. In order to be revoked, notice must have been given or mailed to the person, as provided in this section. The person's driver's license or permit to drive, or nonresident operating privileges, shall be revoked for the longer of: (i) not less than 30 days, or (ii) until the driver or owner files proof of insurance with the department of public safety satisfactory to the commissioner of public safety indicating that insurance was in effect at the time of the officer's demand.

Subd. 8. [ADMINISTRATIVE AND JUDICIAL REVIEW.] At any time during a period of revocation imposed under this section, a driver or owner may request in writing a review of the order of revocation by the commissioner of public safety. Upon receiving a request, the commissioner or the commissioner's designee shall review the order, the evidence upon which the order was based, and any other material information brought to the attention of the commissioner, and determine whether sufficient cause exists to sustain the order. Within 15 days of receiving the request, the commissioner shall send the results of the review in writing to the person requesting the review. The review provided in this subdivision is not subject to the contested case provisions of the administrative procedure act in sections 14.01 to 14.69.

The availability of administrative review for an order of revocation shall have no effect upon the availability of judicial review under section 171.19.

Subd. 9. [NOTICE OF ACTION TO OTHER STATES.] When it

has been finally determined that a nonresident's operating privilege in this state has been revoked or denied, the commissioner of public safety shall give information in writing of the action taken to the official in charge of traffic control or public safety of the state of the person's residence and of any state in which the person has a license.

Subd. 10. [TERMINATION OF REVOCATION PERIOD.] Before reinstatement of a driver's license or permit to drive, or nonresident operating privileges, the driver or owner shall produce an insurance identification card, policy, or written statement indicating that the driver or owner has insurance coverage satisfactory to the commissioner of public safety. The commissioner of public safety may require the insurance identification card provided to satisfy this subdivision be certified by the insurance carrier to be noncancelable for a period not to exceed 12 months. The commissioner of public safety may also require an insurance identification card to be filed with respect to any and all vehicles required to be insured under section 65B.48 and owned by any person whose driving privileges have been revoked as provided in this section before reinstating the person's driver's license.

Subd. 11. [EXEMPTIONS.] Buses or other commercial vehicles operated by the metropolitan transit commission, commercial vehicles required to file proof of insurance pursuant to chapter 221, and school buses as defined in section 171.01, subdivision 21, are exempt from this section.

Sec. 11. [169.793] [UNLAWFUL ACTS.]

Subdivision 1. [ACTS.] It shall be unlawful for any person:

(1) to issue, to display, or cause or permit to be displayed, or have in possession, an insurance identification card, policy, or written statement knowing or having reason to know that the insurance is not in force or is not in force as to the motor vehicle or motorcycle in question;

(2) to alter or make a fictitious insurance identification card, policy, or written statement; and

(3) to display an altered or fictitious insurance identification card, insurance policy, or written statement knowing or having reason to know that the proof has been altered or is fictitious.

Subd. 2. [PENALTY.] Any person who violates any of the provisions of subdivision 1 is guilty of a misdemeanor.

Sec. 12. [169.794] [APPLICATION OF OTHER LAW.]

The provisions of section 45.027 do not apply to license revocations under section 169.792.

Sec. 13. [169.795] [RULES.]

The commissioner of public safety shall adopt rules necessary to implement sections 1 to 15.

Sec. 14. [169.796] [VERIFICATION OF INSURANCE COVERAGE.]

An insurance company shall release information to the department of public safety or the law enforcement authorities necessary to the verification of insurance coverage. An insurance company or its agent acting on its behalf, or an authorized person who releases the above information, whether oral or written, acting in good faith, is immune from any liability, civil or criminal.

Sec. 15. Minnesota Statutes 1988, section 171.30, subdivision 1, is amended to read:

Subdivision 1. [ISSUANCE.] In any case where a person's license has been suspended under section 171.18 or revoked under section 169.792, 169.121, 169.123, or 171.17, the commissioner may issue a limited license to the driver including under the following conditions:

- (1) if the driver's livelihood or attendance at a chemical dependency treatment or counseling program depends upon the use of the driver's license;
- (2) if the use of a driver's license by a homemaker is necessary to prevent the substantial disruption of the education, medical, or nutritional needs of the family of the homemaker; or
- (3) if attendance at a post-secondary institution of education by an enrolled student of that institution depends upon the use of the driver's license.

The commissioner in issuing a limited license may impose such conditions and limitations as in the commissioner's judgment are necessary to the interests of the public safety and welfare including reexamination as to the driver's qualifications. The license may be limited to the operation of particular vehicles, to particular classes and times of operation and to particular conditions of traffic. The commissioner may require that an applicant for a limited license affirmatively demonstrate that use of public transportation or carpooling as an alternative to a limited license would be a significant hardship.

For purposes of this subdivision, "homemaker" refers to the person primarily performing the domestic tasks in a household of residents consisting of at least the person and the person's dependent child or other dependents.

The limited license issued by the commissioner shall clearly indicate the limitations imposed and the driver operating under the limited license shall have the license in possession at all times when operating as a driver.

In determining whether to issue a limited license, the commissioner shall consider the number and the seriousness of prior convictions and the entire driving record of the driver and shall consider the number of miles driven by the driver annually.

If the person's driver's license or permit to drive, or nonresident operating privileges, have been revoked under section 169.792, the commissioner may only issue a limited license to the person after the person has presented an insurance identification card, policy, or written statement indicating that the driver or owner has insurance coverage satisfactory to the commissioner of public safety. The commissioner of public safety may require the insurance identification card provided to satisfy this subdivision be certified by the insurance company to be noncancelable for a period not to exceed 12 months.

Sec. 16. [REPORT.]

The department of public safety, in consultation with the information policy office, shall study the feasibility of computer communication between insurance companies and the department, by which the department is informed of a driver whose insurance is canceled. The department shall report on its study to the legislature.

Sec. 17. [REPEALER.]

Minnesota Statutes 1988, section 65B.481, is repealed."

Amend the title accordingly

With the recommendation that when so amended the bill pass.

The report was adopted.

Anderson, G., from the Committee on Appropriations to which was referred:

H. F. No. 1396, A bill for an act relating to natural resources; promoting Minnesota horticultural peat; appropriating money.

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

The report was adopted.

Anderson, G., from the Committee on Appropriations to which was referred:

H. F. No. 1443, A bill for an act relating to government operations; regulating purchasing from small businesses; appropriating money; amending Minnesota Statutes 1988, sections 16B.189; 16B.19; 16B.20, subdivision 2; 16B.21; 16B.22; 116J.68, subdivision 1; 136.27; 136.72; 137.31; 161.321, subdivisions 2, 3, and 6; 161.3211; 241.27, subdivision 2; 471.345, subdivision 8; 473.142; 645.445, by adding a subdivision; proposing coding in Minnesota Statutes, chapter 16B; repealing Minnesota Statutes 1988, sections 473.406; 645.445, subdivision 5; and Laws 1984, chapter 654, article 2, section 49.

Reported the same back with the following amendments:

Page 2, line 3, after the second "members" insert ", one of which shall be of the minority caucus".

Page 2, line 4, after "members" insert ", one of which shall be of the minority caucus".

Page 2, line 33, delete "emerging" and insert "economically disadvantaged".

Page 4, line 21, delete "emerging" and insert "economically disadvantaged".

Page 5, lines 13, 16, 22, 25, and 30, delete "emerging" and insert "economically disadvantaged".

Page 5, line 36, strike "SET-ASIDE" and insert "SUBCONTRACTS".

Page 6, line 4, strike "shall require that at least" and delete "15".

Page 6, lines 5 to 26, strike the old language and delete the new language

Page 6, line 35, before the period insert "may set goals which require that the prime contractor subcontract a portion of the contract to economically disadvantaged small businesses"

Page 6, line 36, after "\$200,000" insert "on which this subcontracting is required"

Page 7, line 1, after "the" insert "economically disadvantaged"

Page 7, line 9, reinstate the stricken "economically"

Page 7, line 10, reinstate the stricken "disadvantaged"

Page 7, line 15, reinstate the stricken "economically disadvantaged"

Page 7, line 20, after "themselves" insert "economically disadvantaged"

Page 9, lines 7 and 10, delete "emerging" and insert "economically disadvantaged"

Page 9, line 11, reinstate the stricken "and to each category of economically"

Page 9, line 12, reinstate the stricken "disadvantaged"

Page 9, line 13, before the comma, insert "small business"

Page 10, lines 1, 10, 25, and 35, delete "emerging" and insert "economically disadvantaged"

Page 10, line 15, reinstate the stricken "A small business" and after "business" insert "certified as"

Page 10, line 16, reinstate the stricken "economically disadvantaged" and after "disadvantaged" insert "under section 645.445, subdivision 5, clause (1) or (2)," and reinstate the stricken "is"

Page 10, reinstate lines 17 and 18

Page 10, line 19, reinstate the stricken "receipt of the first" and reinstate the stricken "award and after that period is" and after "award" insert "under this program"

Page 10, line 20, reinstate everything through the period

Page 11, delete section 7

Page 11, line 20, delete "emerging" and insert "economically disadvantaged"

Page 11, line 31, strike "those operated by" and reinstate the stricken "economically"

Page 11, line 32, reinstate the stricken "disadvantaged" and delete "emerging"

Page 12, lines 9 and 22, delete "emerging" and insert "economically disadvantaged"

Delete page 12, line 23, to page 13, line 35 and insert:

"Sec. 11. Minnesota Statutes 1988, section 137.31, is amended by adding a subdivision to read:"

Page 14, lines 2, 4, 6, and 10, delete "emerging" and insert "economically disadvantaged"

Page 14, line 5, delete "emerging" and insert "economically disadvantaged"

Page 14, after line 13, insert:

"Sec. 12. Minnesota Statutes 1988, section 137.31, subdivision 4, is amended to read:"

Page 14, delete lines 23 to 29 and insert:

"Sec. 13. Minnesota Statutes 1988, section 137.31, subdivision 6, is amended to read:"

Page 15, lines 12 and 34, delete "emerging" and insert "economically disadvantaged"

Page 15, line 29, reinstate the stricken "two" and delete "..."

Page 15, line 35, delete "emerging" and insert "economically disadvantaged"

Page 16, lines 5, 9, 14, and 22, delete "emerging" and insert "economically disadvantaged"

Page 16, line 15, after the comma, insert "subdivision 5,"

Page 16, line 16, after "eligible" insert "under clause (4)"

Page 17, line 13, delete "emerging" and insert "economically disadvantaged"

Page 18, lines 9 and 34, delete "emerging" and insert "economically disadvantaged"

Page 19, line 7, delete "emerging" and insert "economically disadvantaged"

Page 19, line 23, reinstate the stricken "nine" and delete "..."

Page 19, line 24, after "to" insert "economically disadvantaged"

Page 20, line 1, before the period insert "as defined in section 645.445, clauses (3) to (5)"

Page 20, lines 5, 7, 9, and 14, delete "emerging" and insert "economically disadvantaged"

Page 20, line 10, delete "emerging" and insert "economically disadvantaged"

Page 20, lines 24 and 25, strike "at least"

Page 20, line 25, delete "15" and strike "percent" and insert "a portion"

Page 20, line 26, delete "a" and insert "an economically disadvantaged"

Page 20, line 36, reinstate the stricken "six" and delete "..."

Page 21, lines 2 and 7, before "small" insert "economically disadvantaged"

Page 21, lines 17 and 18, delete "small and emerging" and insert "economically disadvantaged"

Page 21, delete lines 20 to 30 and insert:

"Sec. 21. Minnesota Statutes 1988, section 645.445, subdivision 5, is amended to read:

Subd. 5. "Socially or Economically disadvantaged person business" means a person who business that is not an affiliate or subsidiary of a business dominant in its field of operation and that has been deprived of the opportunity to develop and maintain a competitive position in the economy because of social or economic conditions. This disadvantage may arise from cultural, social or

economic circumstances, or background, physical location A business is economically disadvantaged if:

(1) the person owner resides or is employed in a county in which the median income for married couples is less than 70 percent of the state median income for married couples; or

(2) the owner resides or is employed in an area designated a labor surplus area by the United States Department of Labor, or other similar cause. For purposes of this subdivision, an area designated a labor surplus area retains that status for 120 days after certified small businesses in the area are notified of the termination of the designation by the United States Department of Labor. It includes racial minorities, women, or persons who have suffered a substantial physical disability; or

(3) the owner lacks adequate external support necessary to operate a competitive business enterprise as evidenced by diminished ability to secure long-term or working capital financing; equipment, raw material, or supplier trade credit; bonding and insurance, or if the business has not captured a proportionate share of the market for its goods or services; or

(4) the business filed its first annual federal and state income tax returns which reflected its operation as a business within the preceding five years or will file its first annual return which reflects its operation as a business within the next 12 months; or

(5) for purposes of sections 16B.19 to 16B.22 and 137.31, the definition of "socially or economically disadvantaged person" includes the business is a rehabilitation facilities and facility or work activity programs program."

Page 22, line 6, delete "emerging" and insert "economically disadvantaged"

Page 22, delete lines 20 to 22

Page 22, line 23, delete "(b)" and insert "(1)" and delete "\$75,000" and insert "\$150,000"

Page 22, line 25, delete "(c)" and insert "(2)"

Page 22, line 29, delete "645.445, subdivision 5" and insert "137.31, subdivision 3"

Page 22, line 35, delete " " and insert "\$150,000"

Page 23, line 4, delete everything after "enactment" and insert

“and apply only to contracts for which notice of invitation to bid or requests for proposals are issued after that time.”

Page 23, delete lines 5 to 10

Renumber the sections in sequence

Correct internal references

Amend the title as follows:

Page 1, line 6, after “137.31” insert “, subdivisions 4, 6, and by adding a subdivision;”

With the recommendation that when so amended the bill pass.

The report was adopted.

Anderson, G., from the Committee on Appropriations to which was referred:

H. F. No. 1532, A bill for an act relating to utilities; low-income energy needs; designating the department of public service as the agency responsible for coordinating energy policy for low-income Minnesotans; requiring the department to gather certain information on low-income energy programs; prescribing certain uses for oil overcharge money; appropriating money; amending Minnesota Statutes 1988, sections 216B.241, subdivisions 1 and 2; 216C.02, subdivision 1; 216C.10; 216C.11; and 268.37, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapter 216B.

Reported the same back with the following amendments:

Pages 9 and 10, delete section 8

Pages 10 and 11, delete sections 11 and 12 and insert:

“Sec. 10. [APPROPRIATION.]

“\$22,000 is appropriated from the general fund to the commissioner of public service for the purposes of rulemaking.”

Renumber the sections in sequence

Correct internal references

Amend the title as follows:

Page 1, line 7, delete everything after the semicolon

Page 1, line 8, delete everything before "appropriating"

With the recommendation that when so amended the bill pass.

The report was adopted.

Anderson, G., from the Committee on Appropriations to which was referred:

S. F. No. 738, A bill for an act relating to traffic regulations; providing for special permits for vehicles transporting pole-length pulpwood; setting a fee; amending Minnesota Statutes 1988, section 169.86, subdivision 5; proposing coding for new law in Minnesota Statutes, chapter 169.

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

The report was adopted.

SECOND READING OF HOUSE BILLS

H. F. Nos. 534, 601, 622, 773, 777, 782, 810, 1194, 1396, 1443 and 1532 were read for the second time.

SECOND READING OF SENATE BILLS

S. F. No. 738 was read for the second time.

ANNOUNCEMENTS BY THE SPEAKER

The Speaker announced the appointment of the following members of the House to a Conference Committee on H. F. No. 59:

Kelly, Vellenga, Blätz, Greenfield and Wenzel.

The Speaker announced the appointment of the following members of the House to a Conference Committee on H. F. No. 66:

Quinn; Kostohryz; Anderson, G.; Bennett and Osthoff.

The Speaker announced the appointment of the following members of the House to a Conference Committee on H. F. No. 162:

Skoglund, Burger and Orenstein.

The Speaker announced the appointment of the following members of the House to a Conference Committee on H. F. No. 166:

Lasley, Rodosovich and Henry.

The Speaker announced the appointment of the following members of the House to a Conference Committee on H. F. No. 260:

Trimble, Begich and Seaberg.

The Speaker announced the appointment of the following members of the House to a Conference Committee on H. F. No. 701:

Munger; Johnson, R., and Stanius.

The Speaker announced the appointment of the following members of the House to a Conference Committee on H. F. No. 837:

Carruthers, Marsh and Wagenius.

The Speaker announced the appointment of the following members of the House to a Conference Committee on H. F. No. 1160:

Bauerly, McGuire and Omann.

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

SPECIAL ORDERS

H. F. No. 1636 was reported to the House.

McEachern moved that H. F. No. 1636 be continued on Special Orders. The motion prevailed.

S. F. No. 535 was reported to the House.

Carruthers, Dempsey, Seaberg, Pugh, Quinn, Kelly, Blatz, Bishop and Miller moved to amend S. F. No. 535, as follows:

Page 1, after line 14, insert:

"Section 1. Minnesota Statutes 1988, section 484.74, is amended by adding a subdivision to read:

Subd. 2a. [CONSENSUAL SPECIAL MAGISTRATES.]

In addition to the alternatives under subdivision 1, in cases where the amount in controversy exceeds \$50,000, and with the consent of all of the parties, the presiding judge may submit to the parties a list of retired judges or qualified attorneys who are available to serve as special magistrates for binding proceedings under this subdivision. If the parties agree on selection of a person from the list, the presiding judge may appoint, by order, the person as a special magistrate. The special magistrate may preside over any pretrial and trial matters as determined by the presiding judge. If there is a right to a jury trial, the special magistrate shall conduct the jury trial pursuant to the rules of court and shall use the jury pool of the county in which the action is venued. The presiding judge may adopt the rulings and findings of the special magistrate and the results of any jury trial without modification. The parties have a right to appeal from the presiding judge's rulings and findings and from the jury verdict as in other civil matters.

Subject to chapter 563, the special magistrate's fees and expenses must be borne by the parties on a basis determined to be fair and equitable by the presiding judge, upon recommendation by the special magistrate. The special magistrate may assess costs against a party for failure to comply with rules or orders, or for litigation that is frivolous or brought in bad faith.

Sec. 2. Minnesota Statutes 1988, section 484.74, subdivision 4, is amended to read:

Subd. 4. [APPLICATION.] This section applies only to the fourth judicial district, which will serve as a pilot project to evaluate the effectiveness of alternative forms of resolving commercial and personal injury disputes. The state court administrator shall evaluate the pilot project and report the findings to the chairs of the house and senate judiciary committees by January 15, 1989 1991."

Renumber the remaining sections

Correct internal references

Amend the title as follows:

Page 1, line 10, after "sections" insert "484.74, subdivision 4, and by adding a subdivision;"

The motion prevailed and the amendment was adopted.

S. F. No. 535, A bill for an act relating to real property; abolishing certain residual marital interests in real property; clarifying that the 40-year limitation on actions affecting title to real estate applies to an action based on an option to repurchase or other restrictions on a surface estate; providing for certain certifications; changing effective dates for provisions relating to validation of foreclosure sales; amending Minnesota Statutes 1988, sections 541.023, subdivision 2; 548.181, subdivisions 1, 3, and by adding a subdivision; and 582.27; proposing coding for new law in Minnesota Statutes, chapter 519.

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

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

Those who voted in the affirmative were:

Abrams	Frerichs	Lasley	Orenstein	Seaberg
Anderson, G.	Girard	Lieder	Osthoff	Segal
Battaglia	Greenfield	Limmer	Ostrom	Simoneau
Bauerly	Gruenes	Long	Otis	Skoglund
Beard	Gutknecht	Lynch	Ozment	Solberg
Begich	Hartle	Macklin	Pappas	Sparby
Bennett	Hasskamp	Marsh	Pauly	Stanis
Bertram	Haukoos	McDonald	Pellow	Steensma
Bishop	Heap	McEachern	Pelowski	Sviggum
Blatz	Henry	McGuire	Peterson	Swenson
Boo	Hugoson	McPherson	Poppenhagen	Tjornhom
Brown	Jacobs	Milbert	Price	Tompkins
Burger	Janezich	Miller	Pugh	Trimble
Carlson, D.	Jaros	Morrison	Quinn	Tunheim
Carlson, L.	Jefferson	Munger	Redalen	Uphus
Carruthers	Jennings	Murphy	Reding	Valento
Clark	Johnson, A.	Nelson, C.	Rest	Vellenga
Conway	Johnson, R.	Nelson, K.	Rice	Wagenius
Cooper	Johnson, V.	Neuenschwander	Richter	Waltman
Dauner	Kahn	O'Connor	Rodosovich	Weaver
Dawkins	Kalis	Ogren	Rukavina	Welle
Dempsey	Kelly	Olsen, S.	Runbeck	Wenzel
Dille	Kelso	Olson, E.	Sarna	Williams
Dorn	Kinkel	Olson, K.	Schafer	Winter
Forsythe	Kostohryz	Omann	Scheid	Wynia
Frederick	Krueger	Onnen	Schreiber	Spk. Vanasek

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

GENERAL ORDERS

Wynia moved that the bills on General Orders for today be continued. The motion prevailed.

MOTIONS AND RESOLUTIONS

O'Connor moved that the names of Dawkins, Clark, Tjornhom and Osthoff be added as authors on H. F. No. 535. The motion prevailed.

Munger moved that S. F. No. 262 be recalled from the Committee on Environment and Natural Resources and together with H. F. No. 534, now on Technical General Orders, be referred to the Chief Clerk for comparison. The motion prevailed.

Anderson, G., moved that S. F. No. 536 be recalled from the Committee on Appropriations and together with H. F. No. 622, now on Technical General Orders, be referred to the Chief Clerk for comparison. The motion prevailed.

Solberg moved that H. F. No. 1292 be laid on the table. The motion prevailed.

There being no objection, the order of business reverted to Messages from the Senate.

MESSAGES FROM THE SENATE

The following message was received from the Senate:

Mr. Speaker:

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

S. F. No. 522, A bill for an act relating to housing; authorizing the establishment of affordable housing programs under the administration of the Minnesota housing finance agency; establishing a neighborhood preservation program; revising certain tenant damage provisions in landlord-tenant actions; regulating tenant screening services; establishing a rent escrow system; providing mandatory building repair fines; authorizing a housing calendar consolidation pilot project in Hennepin and Ramsey counties; requiring housing impact statements; revising certain housing receivership provisions; providing a limited right of entry to secure vacant or unoccupied buildings; providing for city housing rehabilitation loan programs; establishing the community and neighborhood development organization program; establishing a child development program; authorizing a neighborhood revitalization program; imposing penalties; appropriating money; amending Minnesota Statutes 1988, sections 4.071; 282.01, subdivision 1; 462A.03, by adding a subdivision; 462A.05, subdivision 27, and by adding subdivisions;

462A.21, subdivisions 4k, 12, and by adding subdivisions; 462C.02, by adding subdivisions; 462C.05, by adding a subdivision; 463.15, subdivisions 3 and 4; 463.16; 463.161; 463.17; 463.20; 463.21; 463.22; 469.012, subdivision 1; 504.255; 504.26; 566.17; 566.175, subdivision 1; 566.29, subdivisions 1, 4, and by adding subdivisions; 582.03; Laws 1971, chapter 333, as amended, by adding a section; Laws 1974, chapters 285, sections 2, 3, 4, and by adding a section; and 475, by adding a section; proposing coding for new law in Minnesota Statutes, chapters 116J; 129A; 145; 268; 363; 412; 462A; 469; 471; 504; 566; and 582; repealing Laws 1974, chapter 351, sections 1 to 4, as amended; Laws 1975, chapter 260, sections 1 to 5; and Laws 1987, chapters 384, article 3, section 22; and 386, article 6, sections 4 to 11.

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

Mr. Pogemiller; Ms. Reichgott; Messrs. Bernhagen, Gustafson and Ms. Berglin.

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

PATRICK E. FLAHAVEN, Secretary of the Senate

O'Connor moved that the House accede to the request of the Senate and that the Speaker appoint a Conference Committee of 5 members of the House to meet with a like committee appointed by the Senate on the disagreeing votes of the two houses on S. F. No. 522. The motion prevailed.

ANNOUNCEMENT BY THE SPEAKER

The Speaker announced the appointment of the following members of the House to a Conference Committee on S. F. No. 522:

O'Connor, Osthoff, Dawkins, Boo and Sparby.

ADJOURNMENT

Wynia moved that when the House adjourns today it adjourn until 12:00 noon, Wednesday, May 17, 1989. The motion prevailed.

Wynia moved that the House adjourn. The motion prevailed, and the Speaker declared the House stands adjourned until 12:00 noon, Wednesday, May 17, 1989.

EDWARD A. BURDICK, Chief Clerk, House of Representatives

STATE OF MINNESOTA

SEVENTY-SIXTH SESSION—1989

FIFTY-FOURTH DAY

SAINT PAUL, MINNESOTA, WEDNESDAY, MAY 17, 1989

The House of Representatives convened at 12:00 noon and was called to order by Robert E. Vanasek, Speaker of the House.

Prayer was offered by the Reverend John Mauritzen of the Norwegian Lutheran Church, Minneapolis, Minnesota.

The roll was called and the following members were present:

Abrams	Frerichs	Lasley	Orenstein	Segal
Anderson, G.	Girard	Lieder	Osthoff	Simoneau
Anderson, R.	Greenfield	Limmer	Ostrom	Skoglund
Battaglia	Gruenes	Long	Otis	Solberg
Bauerly	Gutknecht	Lynch	Ozment	Sparby
Beard	Hartle	Macklin	Pappas	Stanisus
Begich	Hasskamp	Marsh	Pauly	Steenasma
Bennett	Haukoos	McDonald	Pellow	Sviggum
Bertram	Heap	McEachern	Pelowski	Swenson
Bishop	Henry	McGuire	Peterson	Tjornhom
Blatz	Hugoson	McLaughlin	Poppenhagen	Tompkins
Boo	Jacobs	McPherson	Price	Trimble
Brown	Janezich	Milbert	Pugh	Tunheim
Burger	Jaros	Miller	Quinn	Uphus
Carlson, D.	Jefferson	Morrison	Redalen	Valento
Carlson, L.	Jennings	Munger	Reding	Vellenga
Carruthers	Johnson, A.	Murphy	Rest	Wagenius
Clark	Johnson, R.	Nelson, C.	Rice	Waltman
Conway	Johnson, V.	Nelson, K.	Richter	Weaver
Cooper	Kahn	Neuenschwander	Rodosovich	Welle
Dauner	Kalis	O'Connor	Rukavina	Wenzel
Dawkins	Kelly	Ogren	Runbeck	Williams
Dempsey	Kelso	Olsen, S.	Sarna	Winter
Dille	Kinkel	Olson, E.	Schafer	Wynia
Dorn	Knickerbocker	Olson, K.	Scheid	Spk. Vanasek
Forsythe	Kostohryz	Omamm	Schreiber	
Frederick	Krueger	Onnen	Seaberg	

A quorum was present.

Himle was excused until 2:15 p.m.

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

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

REPORTS OF CHIEF CLERK

Pursuant to Rules of the House, printed copies of H. F. Nos. 622, 1396, 534, 601, 773, 777, 782, 810, 1194, 1443, 1532, 878 and 1418 have been placed in the members' files.

S. F. No. 536 and H. F. No. 622, which had been referred to the Chief Clerk for comparison, were examined and found to be identical with certain exceptions.

SUSPENSION OF RULES

Milbert moved that the rules be so far suspended that S. F. No. 536 be substituted for H. F. No. 622 and that the House File be indefinitely postponed. The motion prevailed.

S. F. No. 262 and H. F. No. 534, which had been referred to the Chief Clerk for comparison, were examined and found to be identical with certain exceptions.

SUSPENSION OF RULES

Munger moved that the rules be so far suspended that S. F. No. 262 be substituted for H. F. No. 534 and that the House File be indefinitely postponed. The motion prevailed.

SECOND READING OF SENATE BILLS

S. F. Nos. 536 and 262 were read for the second time.

SUSPENSION OF RULES

Pursuant to Article IV, Section 19, of the Constitution of the state of Minnesota, Munger moved that the rule therein be suspended and an urgency be declared so that S. F. No. 262 be given its third reading and be placed upon its final passage. The motion prevailed.

Munger moved that the Rules of the House be so far suspended that S. F. No. 262 be given its third reading and be placed upon its final passage. The motion prevailed.

Wynia moved that the House recess subject to the call of the Chair. The motion prevailed.

RECESS

RECONVENED

The House reconvened and was called to order by the Speaker.

SECOND READING OF SENATE BILLS, Continued

Munger moved to amend S. F. No. 262, as follows:

Delete everything after the enacting clause and insert:

"ARTICLE 1

PROTECTION OF GROUNDWATER

Section 1. [115D.01] [GOAL; PREVENTION OF GROUNDWATER DEGRADATION.]

It is the goal of the state that groundwater be maintained in its natural condition, free from any degradation caused by human activities. It is recognized that for some human activities this nondegradation goal cannot be practicably achieved. However, where prevention is practicable, it is intended that it be achieved. Where it is not currently practicable, the development of methods and technology that will make prevention practicable is encouraged. The prevention and cleanup of groundwater pollution is crucial to the public health and welfare and the environment of the state because:

(1) Minnesota's high quality groundwater is a precious natural resource upon which Minnesotans depend for many uses, including drinking water and agricultural and industrial uses;

(2) this resource is currently being threatened by pollution from a variety of land and water uses, including domestic, agricultural, and industrial uses;

(3) groundwater of the state is contained in a series of related and often interconnected aquifers, and pollutants entering the groundwater may spread both horizontally and vertically and may enter and impair surface waters;

(4) once groundwater becomes polluted, it is extremely difficult and at times impossible to return it to its natural state;

(5) consumption of polluted groundwater can result in significant health impacts, even at relatively low concentrations; and

(6) groundwater must be protected for consumption and other uses by future generations.

Sec. 2. [115D.02] [DEFINITIONS.]

Subdivision 1. [APPLICABLE DEFINITIONS.] The definitions provided in this section apply to terms used in sections 1 to 7, unless the context requires otherwise. The definitions provided in section 115.01 apply to terms used in sections 1 to 7, unless a different definition is provided in this section or the context requires otherwise.

Subd. 2. [BEST MANAGEMENT PRACTICES.] "Best management practices" means those practices that are most capable of preventing, reducing, minimizing, or eliminating the pollution of the waters of the state, and are most practicable, considering availability, economic factors, effectiveness, environmental impacts, ability to be implemented, and technical feasibility. Best management practices apply to, but are not limited to, schedules of activities, operation procedures, practices, techniques, maintenance procedures, application and use of chemicals, drainage from raw material storage, treatment requirements, and other activities that may cause or contribute to water pollution.

Subd. 3. [PERSON.] "Person" means a human being; a municipality or other governmental or political subdivision; a public agency; a public or private corporation; a partnership, firm, association, or other organization; a receiver, trustee, assignee, agent, or other legal representative of any of the foregoing; or any other legal entity.

Subd. 4. [REGULATING AUTHORITY.] "Regulating authority" means a state agency, political subdivision, special purpose district, or other governmental unit with legal authority to adopt and enforce water resources protection requirements.

Subd. 5. [WATER RESOURCES PROTECTION REQUIREMENTS.] "Water resources protection requirements" means requirements intended to prevent, reduce, minimize, or eliminate pollution of the waters of the state that are enforceable under law, ordinance, permit, license, or order. Water resources protection requirements include: design criteria, guidance, or requirements; standards; operation and maintenance procedures; practices to

control releases, spills, leaks, and sludge and waste disposal; restrictions on use and practices; and treatment requirements.

Sec. 3. [115D.03] [STATE PROGRAMS.]

Subdivision 1. [PROGRAM REVIEW.] The environmental quality board shall identify those state agency programs that affect activities that may cause or contribute to groundwater pollution.

Subd. 2. [STATE AGENCIES.] (a) Each state agency that has a program identified pursuant to subdivision 1 shall identify and develop best management practices to ensure that the program is consistent with and is effective in achieving the goal of section 1 and is effective in meeting the limits established under section 5. For those activities which may cause or contribute to pollution of groundwater, but are not directly regulated by the state, best management practices shall be promoted through education, support programs, incentives, and other mechanisms.

(b) State agencies must concentrate efforts to identify and develop best management practices in sensitive areas with Karst and sand plain features as provided in section 7, subdivision 1.

Subd. 3. [DEPARTMENT OF AGRICULTURE.] The department of agriculture shall identify and develop best management practices for the distribution, storage, and use of pesticides and fertilizers, except as otherwise provided in law.

Subd. 4. [EDUCATION.] The Minnesota extension service shall develop and implement educational programs, in cooperation with state agencies and local units of government involved in comprehensive water planning, that promote the use of best management practices for the protection of groundwater.

Sec. 4. [115D.04] [DUTY TO PREVENT POLLUTION.]

Persons whose activity may cause or contribute to pollution of groundwater shall use all practicable means of preventing the pollution.

Sec. 5. [115D.05] [HEALTH AND POLLUTION LIMITS.]

Subdivision 1. [DEPARTMENT OF HEALTH.] (a) The department of health shall adopt rules specifying procedures and criteria for establishing and periodically revising a list of health risk limits for drinking water. The rules shall require the limits to be set at levels such that there is no significant long-term risk to human health from using that water, considering prudent margins of safety and complicating effects due to the presence of multiple pollutants or breakdown products. The rules shall provide for the establish-

ment of temporary emergency limits that are not subject to paragraph (b).

(b) After rules are adopted under paragraph (a), the department shall establish a list of health risk limits in accordance with the rules and the procedures provided in this paragraph. The establishment of the list is exempt from the requirements of chapter 14. The department shall reevaluate each limit at least every four years after it has been established. Before a list of health risk limits is established or revised, the department shall:

(1) publish in the State Register and disseminate through the Minnesota extension service and through soil and water conservation districts notice of its intent to establish or revise health risk limits for specific substances and shall solicit information on the health impacts of those substances;

(2) publish a proposed list of health risk limits in the State Register and disseminate through the Minnesota extension service and through soil and water conservation districts allowing 60 days for public comment; and

(3) publish the final list of health risk limits in the State Register and, at the same time, make available a summary of the public comments received and the department's responses to the comments.

(c) A limit established by the department under paragraph (b) may be challenged in the manner provided in sections 14.44 and 14.45, except that the court may declare a limit invalid only if it finds that the limit was not established in accordance with the rules adopted under paragraph (a) or the procedures provided in paragraph (b) or that the limit is arbitrary or capricious.

Subd. 2. [POLLUTION CONTROL AGENCY.] The pollution control agency may adopt rules establishing numerical groundwater pollution limits. The rules shall:

(1) use the department of health's health risk limits as the measure of health risk;

(2) provide for the establishment of more protective limits where groundwater interactions with surface water may otherwise result in impairment of surface water quality;

(3) not preclude regulating authorities from adopting requirements for facilities or practices to further minimize pollution consistent with section 1, where it is practicable; and

(4) provide standards for guiding the actions of regulating authorities under section 6.

Sec. 6. [115D.06] [ACTIONS BY REGULATING AUTHORITIES.]

Subdivision 1. [GROUNDWATER POLLUTION OCCURRENCE.]

(a) Where groundwater pollution is detected during ongoing monitoring programs, the responsible state agency shall take appropriate actions consistent with the goal of section 1 to confirm detection and may investigate possible sources, investigate the extent of groundwater pollution, and may conduct informational and educational efforts and other appropriate actions in the affected areas.

(b) A water resources protection requirement may not be enforced by a state agency before September 30, 1991 except as provided in section 7, subdivision 1 for sensitive areas with Karst or sand plain features.

Subd. 2. [GROUNDWATER POLLUTION IN EXCESS OF LIMITS.] If groundwater pollution exceeds or is likely to exceed limits established under section 5, the regulating authority shall take appropriate actions consistent with the goal of section 1 and the limits established under section 5.

Subd. 3. [APPROPRIATE ACTIONS.] For the purpose of this section and section 7, "appropriate actions" include actions to confirm detection and investigate possible sources, investigate the extent of groundwater pollution, conduct informational or educational efforts in the affected areas, require implementation of management practices, develop water resources protection requirements, require changes in monitoring, restrict or modify the activity or use in question, or require or provide groundwater remediation or containment. Nothing in this section shall be interpreted to confer any authority to adopt water resources protection requirements upon any state agency, political subdivision, special purpose district, or other local governmental unit beyond the authority conferred by other law.

Subd. 4. [NITROGEN COMPOUNDS IN GROUNDWATER.] The department of agriculture and the pollution control agency, in consultation with the board of water and soil resources and Minnesota agricultural experiment station, shall prepare a report on nitrate and related nitrogen compounds in groundwater. The report shall consider recommendations made by local government in comprehensive local water plans and the program review required in section 3, subdivision 2, use data developed by the Minnesota agricultural experiment station, and shall incorporate the findings of the fertilizer nitrogen task force identified in article 2, section 12. This report shall be submitted to the environmental quality board by July 1, 1991. The board shall provide recommendations to the legislature by November 15, 1991, based upon this report.

The report shall be based on existing information and shall examine areas in which improvements in the state and local response to this problem are feasible. The report shall address, but not be limited to, the following issues: the determination of trends in nitrogen pollution; causative factors; the development of recommended best management practices to reduce or minimize pollution; regulatory controls; the feasibility of proposed treatment and corrective or mitigative measures; and the economic impacts of proposed corrective measures.

Sec. 7. [115D.07] [PROTECTION OF SENSITIVE AREAS.]

Subdivision 1. [POLICY.] In order to achieve the goal of section 1 and comply with the limits established under section 5, a concentration of state and local efforts to protect groundwater in sensitive areas is required. Until the application of criteria for determination of sensitive areas pursuant to subdivisions 3 and 4 is complete, state agencies shall consider areas with Karst and sand plain features to be sensitive and must concentrate efforts to develop and implement best management practices, water resources protection requirements, and educational programs.

Subd. 2. [DEFINITION.] "Sensitive area" or "sensitive groundwater area" means a geographic area defined by natural features where the groundwater is at significant risk of contamination from activities conducted at or near the land surface.

Subd. 3. [CRITERIA FOR DETERMINATION OF SENSITIVE AREAS.] The environmental quality board shall, after consultation with representatives of local government, and members of agricultural and environmental groups adopt a list of specific criteria for identifying sensitive groundwater areas and establish procedures for applying the criteria in such areas, by September 30, 1991.

Subd. 4. [INCORPORATION OF CRITERIA.] State agencies must incorporate the criteria into appropriate programs according to the procedures established under subdivision 3.

Subd. 5. [ACTIONS BY REGULATING AUTHORITIES.] Upon adoption of a comprehensive local water plan as defined in article 7, a regulating authority must take into account the plan and any geological assessments referenced in the plan when taking appropriate actions in sensitive areas.

Subd. 6. [INFORMATION GATHERING.] The environmental quality board is responsible for coordinating state and state-funded local information gathering efforts pursuant to the identification of sensitive groundwater areas. Information shall be collected and automated in accordance with article 6.

Sec. 8. [115D.08] [EFFECT ON OTHER LAW.]

Sections 1 to 7 do not limit any person's cause of action under chapter 116B; restrict the authority that a state agency or a local unit of government may have from any other law; or create new enforcement authority.

ARTICLE 2

FERTILIZER, SOIL AMENDMENT, AND PLANT AMENDMENT

Section 1. [17.7121] [POWERS AND DUTIES OF COMMISSIONER.]

Subdivision 1. [ADMINISTRATION BY COMMISSIONER.] The commissioner shall administer, implement, and enforce this chapter and the department of agriculture is the lead state agency for the regulation of fertilizer, including, but not limited to, its storage, handling, distribution, use, and disposal.

Subd. 2. [DELEGATION OF DUTIES.] The commissioner's duties under this chapter may be delegated to designated employees or agents of the department of agriculture.

Subd. 3. [DELEGATION TO APPROVED AGENCIES.] The commissioner may, by written agreements, delegate specific inspection, enforcement, and other regulatory duties of this chapter to officials of approved agencies.

Sec. 2. [17.7122] [POLICY; RULES.]

It is the policy of this state to seek to achieve and maintain uniformity with national standards and with other states, insofar as possible, of regulation and control of the manufacture, distribution, and sale of fertilizer in this state.

Sec. 3. Minnesota Statutes 1988, section 17.713, is amended to read:

17.713 [DEFINITIONS.]

Subdivision 1. [GENERALLY.] When used in sections 17.711 to 17.729 the terms defined in this section have the meanings given them.

Subd. 1a. [APPROVED AGENCY.] "Approved agency" means a state agency other than the department of agriculture or an agency of a county, home rule charter or statutory city, town, or other

political subdivision that has signed a joint powers agreement under section 471.59 with the commissioner.

Subd. 1b. [BEST MANAGEMENT PRACTICES.] “Best management practices” has the meaning given to it in article 1, section 2, subdivision 1.

Subd. 1c. [WATER RESOURCES PROTECTION REQUIREMENTS.] “Water resources protection requirements” has the meaning given to it in article 1, section 2, subdivision 5.

Subd. 2. [BRAND.] “Brand” means a term, design, or trademark used in connection with one or several grades of ~~commercial~~ fertilizers or with soil and plant amendment materials.

Subd. 3. [BULK FERTILIZER.] ~~“Bulk fertilizer” means any commercial fertilizer material distributed in a nonpackaged form.~~

Subd. 3a. [CHEMIGATION.] “Chemigation” means a process of applying fertilizers to land or crops including, but not limited to, agricultural, nursery, turf, golf course, or greenhouse sites in or with irrigation water during the irrigation process.

Subd. 4. [COMMERCIAL FERTILIZER.] ~~“Commercial fertilizer” includes those sold which are both mixed fertilizer or fertilizer materials.~~

Subd. 4a. [COMMISSIONER.] “Commissioner” means the commissioner of agriculture or a designee.

Subd. 4b. [COMPOST.] “Compost” is a material derived primarily or entirely from biological decomposition of vegetative organic matter or animal manure to which no inorganic fertilizers have been added other than to promote decomposition.

Subd. 4c. [CORRECTIVE ACTION.] “Correction action” means an action taken to minimize, eliminate, or clean up an incident.

Subd. 4d. [CUSTOM APPLY.] “Custom apply” means to apply a fertilizer, soil amendment, or plant amendment product for hire.

Subd. 4e. [DEFICIENCY.] “Deficiency” means that amount of nutrient found by analysis less than that guaranteed which may result from a lack of nutrient ingredients or from lack of uniformity.

Subd. 5. [DISTRIBUTOR.] “Distributor” means any person who imports, consigns, manufactures, produces, compounds, mixes, or blends ~~commercial~~ fertilizer, or who offers for sale, sells, barter, or otherwise supplies ~~commercial~~ fertilizer or soil and plant amendments in this state.

Subd. 5a. [ENVIRONMENT.] "Environment" means surface water, groundwater, air, land, plants, humans, and animals and their interrelationships.

Subd. 5b. [FERTILIZER.] "Fertilizer" means a substance containing one or more recognized plant nutrients that is used for its plant nutrient content and designed for use or claimed to have value in promoting plant growth, except unmanipulated animal and vegetable manures, marl, lime, limestone, and other products exempted by rule by the commissioner.

Subd. 6. [FERTILIZER MATERIAL.] "Fertilizer material" means any substance containing nitrogen, phosphorus, potassium or any recognized plant food nutrient, or any compound which is used primarily for its plant nutrient content or for compounding mixed fertilizers except unmanipulated animal and vegetable manures.

Subd. 6a. [FIXED LOCATION.] "Fixed location" means all stationary fertilizer facility operations, owned and or operated by a person, located in the same plant location or locality.

Subd. 7. [GRADE.] "Grade" means the percentage of total nitrogen (N), available phosphorus (P) or phosphoric acid (P2O5), and soluble potassium (K) or soluble potash (K2O) stated in whole numbers in the same terms, order, and percentages as in the guaranteed analysis; provided, however, that fertilizer materials, bone meals, manures, and similar raw materials may be guaranteed in fractional units, and specialty fertilizers may be guaranteed in fractional units of less than one percent of total nitrogen, available phosphorus or phosphoric acid, and soluble potassium or soluble potash.

Subd. 8. [GUARANTEED ANALYSIS.] "Guaranteed analysis": (1) Until the commissioner prescribes the alternative form of "guaranteed analysis" in accordance with the provisions of paragraph 2 of this subdivision, the term "guaranteed analysis" shall mean the percentage of plant nutrient content, if claimed, in the following order form:

(a) <u>Total nitrogen</u>	..... percent
<u>Available phosphoric acid</u>	..... percent
<u>Soluble potash</u>	..... percent
<u>Total Nitrogen (N)</u>	..... percent
<u>Available Phosphoric Acid (P2O5)</u>	..... percent
<u>Soluble Potash (K2O)</u>	..... percent

(b) (a) For unacidulated mineral phosphatic materials and basic slag, bone, tankage, and other organic phosphate materials, the

total phosphoric acid or degree of fineness, or both, may also be guaranteed.

(e) (b) Guarantees for plant nutrients other than nitrogen, phosphorus and potassium may be permitted or required by rule of the commissioner. The guarantees for such other nutrients shall be expressed in the elemental form. The sources of such other elements, oxides, salt, and chelates, may be required to be stated on the application for registration and may be included as a parenthetical statement on the label. Other beneficial substances or compounds, determinable by laboratory methods, also may be guaranteed by permission of the commissioner and with the advice of the director of the agricultural experiment station. When any plant nutrients or other substances or compounds are guaranteed, they shall be subject to inspection and analyses in accord with the methods and rules prescribed by the commissioner.

(e) (c) Potential basicity or acidity expressed in terms of calcium carbonate equivalent in multiples of 100 pounds per ton, when required by rule.

(2) When the commissioner finds, after public hearing following due notice, that the requirement for expressing the guaranteed analysis of phosphorus and potassium in elemental form would not impose an economic hardship on distributors and users of fertilizer by reason of conflicting labeling requirements among the states, the commissioner may require thereafter that the "guaranteed analysis" shall be in the following form:

Total nitrogen <u>Nitrogen (N)</u>	..... percent
Available phosphorus <u>Phosphorus (P)</u>	..... percent
Soluble potassium <u>Potassium (K)</u>	..... percent

The effective date of said rule shall be not less than one year following the issuance thereof, and provided, further, that for a period of two years following the effective date of said rule the equivalent of phosphorus and potassium may also be shown in the form of phosphoric acid and potash. After the effective date of a rule issued under the provisions of this section, requiring that phosphorus and potassium be shown in the elemental form, the guaranteed analysis for nitrogen, phosphorus, and potassium shall constitute the grade.

(3) "Guaranteed analysis" of a soil amendment or plant amendment shall mean an accurate statement of composition including the percentages of each ingredient. If the product is a microbiological product, the number of viable microorganisms per milliliter for a liquid or the number of viable microorganisms per gram for a dry product must also be listed.

Subd. 9. [GUARANTOR.] "Guarantor" means the person who is

guaranteeing the material to be as stated in the guaranteed analysis statement.

Subd. 9a. [HAZARDOUS WASTE.] "Hazardous waste" means a substance identified or listed as hazardous waste in the rules adopted under section 116.07, subdivision 4.

Subd. 9b. [INCIDENT.] "Incident" means a flood, fire, tornado, transportation accident, storage container rupture, leak, spill, emission, discharge, escape, disposal, or other event that releases or immediately threatens to release a fertilizer, soil amendment, or plant amendment accidentally or otherwise into the environment, and may cause unreasonable adverse effects on the environment. Incident does not include a release resulting from the normal use of a product or practice in accordance with law.

Subd. 9c. [INVESTIGATIONAL ALLOWANCE.] "Investigational allowance" means an allowance for variations inherent in the taking, preparation, and analysis of an official sample of fertilizer.

Subd. 9a-9d. [LABEL.] "Label" means the display of all written, printed or graphic matter upon the immediate container or the statement accompanying a commercial fertilizer, soil amendment or plant amendment.

Subd. 9b-9e. [LABELING.] "Labeling" means all written, printed or graphic matter upon or accompanying any commercial fertilizer, soil amendment or plant amendment or advertisements, brochures, posters, television, radio or other announcements used in promoting their sale.

Subd. 9c-9f. [MANIPULATED MANURES.] "Manipulated manures" means substances composed primarily of excreta, plant remains, or mixtures or substances means fertilizers that are manufactured, blended, mixed, or animal or vegetable manures which have been treated in any manner, including mechanical drying, grinding, pelleting and other means, or by adding other chemicals or substances.

Subd. 10. [MIXED FERTILIZER.] "Mixed fertilizer" means any combination or mixture of fertilizer material designed for use or claimed to have value in promoting plant growth, with or without inert materials.

Subd. 11. [MOBILE MECHANICAL UNIT.] "Mobile mechanical unit" means any portable machine or apparatus used to blend, mix, or manufacture fertilizer materials fertilizers.

Subd. 12. [OFFICIAL SAMPLE.] "Official sample" means any sample of commercial fertilizer, soil amendment or plant amend-

ment taken by the commissioner according to methods prescribed by sections 17.711 to 17.729.

Subd. 13. [ORGANIC.] "Organic" when applied to fertilizer nutrients refers only to naturally occurring substances generally recognized as the hydrogen compounds of carbon and their derivatives or synthetic products of similar composition whose water insoluble nitrogen content is at least 60 percent of the total nitrogen guaranteed.

Subd. 13a. [OWNER OF REAL PROPERTY.] "Owner of real property" means a person who is in possession of, has the right of control, or controls the use of real property, including without limitation a person who may be a fee owner, lessee, renter, tenant, lessor, contract for deed vendee, licensor, licensee, or occupant.

Subd. 14. [PERCENT; PERCENTAGE.] "Percent" or "percentage" means the percentage by weight.

Subd. 15. [PERSON.] "Person" includes individuals, partnerships, associations, firms, corporations, companies, and societies. means an individual, firm, corporation, partnership, association, trust, joint stock company, or unincorporated organization, the state, a state agency, or a political subdivision.

Subd. 15a. [PLANT AMENDMENT.] "Plant amendment" means any substance applied to plants or seeds which is intended to improve germination, growth, yield, product quality, reproduction, flavor, or other desirable characteristics of plants except commercial fertilizers, soil amendments, agricultural liming materials, animal and vegetable manures, pesticides, and other materials which may be exempted by rule.

Subd. 15b. [PLANT FOOD.] "Plant food" means any one of the following plant nutrients or any additional plant nutrient which might be generally recognized as beneficial for plant growth: nitrogen, phosphorus, potassium, calcium, magnesium, sulfur, boron, chlorine, cobalt, copper, iron, manganese, molybdenum, sodium and zinc.

Subd. 16. [REGISTRANT.] "Registrant" means the person who registers commercial fertilizer material, soil amendment or plant amendment under the provisions of sections 17.711 to 17.729.

Subd. 16a. [RESPONSIBLE PARTY.] "Responsible party" means a person who at the time of an incident has custody of, control of, or responsibility for a fertilizer, fertilizer container, or fertilizer rinsate.

Subd. 16b. [RINSATE.] "Rinsate" means a dilute mixture of a

fertilizer or fertilizer with water, solvents, oils, commercial rinsing agents, or other substances.

Subd. 16c. [SAFEGUARD.] "Safeguard" means a facility, equipment, device, or system, or a combination of these, as required by rule, designed to prevent an incident.

Subd. 17. [SELL.] "Sell," when applied to commercial fertilizer, soil amendment, or plant amendment, includes:

- (1) The act of selling, transferring ownership;
- (2) The offering and exposing for sale, exchange, distribution, giving away, and transportation in, and into, this state;
- (3) The possession with intent to sell, exchange, distribute, give away or transport in, and into, this state;
- (4) The storing, carrying and handling in aid of traffic therein, whether done in person or through an agent, employee or others; and
- (5) Receiving, accepting, and holding of consignment for sale.

Subd. 17a. [SEWAGE SLUDGE.] "Sewage sludge" means the solids and associated liquids in municipal wastewater which are encountered and concentrated by a municipal wastewater treatment plant. Sewage sludge does not include incinerator residues and grit, scum, or screenings removed from other solids during treatment. Sewage sludge is exempt from all requirements of this chapter except the soil amendment labeling requirements of section 17.716 unless the sewage sludge meets the plant food content criteria for a commercial fertilizer in which case the sewage sludge will be considered a commercial fertilizer. A copy of the sewage sludge analysis required by the rules of the pollution control agency adopted under section 116.07, subdivision 4, is sufficient to meet the labeling requirements of section 17.716.

Subd. 17b. [SITE.] "Site" includes land and water areas, air space, and plants, animals, structures, buildings, contrivances, and machinery, whether fixed or mobile, including anything used for transportation.

Subd. 18. [SMALL PACKAGE FERTILIZER.] "Small package fertilizer" means fertilizer material sold exclusively in packages of 25 pounds or less.

Subd. 19. [SOIL AMENDMENT.] "Soil amendment" means any aggregant or additive or any synthetic organic chemical substances, or chemically or physically modified natural substances, or natu-

rally occurring substance, or manufacturing by products, mixed or unmixed, which are represented as having a primary function of forming or stabilizing soil aggregants in soil to which it is to be applied and thereby improving the resistance of such soil to the slaking action of water, increasing its water and air permeability, improving the resistance of its surface to crusting, improving its ease of cultivation, or otherwise favorably modifying its structural or physical properties: a substance intended to improve the physical characteristics of the soil, except fertilizers, agricultural liming materials, pesticides, and other materials exempted by rules of the commissioner.

Subd. 20. [SPECIALTY FERTILIZER.] "Specialty fertilizer" means any commercial fertilizer labeled and distributed for, but not limited to, the following uses: commercial gardening, greenhouses, nurseries, sod farms, home gardens, house plants, lawns lawn fertilizer not custom applied, shrubs, golf courses, municipal parks, cemeteries, and research or experimental purposes.

Subd. 20a. [SUBSTANTIALLY ALTERING.] "Substantially altering" means modifying a facility by adding additional safeguards or storage containers, or changing existing storage containers, safeguards, appurtenances, or piping. This does not include routine maintenance of existing safeguards, storage containers, appurtenances, and piping or of existing mixing, blending, weighing, and handling equipment.

Subd. 21. [TON.] "Ton" means a net ton of 2,000 pounds avoirdupois.

Subd. 22. [UNREASONABLE ADVERSE EFFECTS ON THE ENVIRONMENT.] "Unreasonable adverse effects on the environment" means any unreasonable risk to humans or the environment, taking into account the economic, social, and environmental costs and benefits of the use of a fertilizer.

Subd. 23. [WILDLIFE.] "Wildlife" means living things that are not human, domesticated, or pests.

Sec. 4. Minnesota Statutes 1988, section 17.714, subdivision 1, is amended to read:

Subdivision 1. [REGISTRATION FEE; CERTAIN ITEMS.] Fertilizer brands and grades sold only as small package items or represented and labeled as specialty fertilizer; and soil and plant amendments sold with recommendations for commercial agricultural use, shall be registered and a fee paid pursuant to section 17.717. Fees paid for registration made in this manner shall be in lieu of any other license or tonnage fees. A person may not sell brands or grades of specialty fertilizer, soil amendments, or plant

amendments in this state unless they are registered with the commissioner.

Sec. 5. Minnesota Statutes 1988, section 17.714, subdivision 3, is amended to read:

Subd. 3. [COPY OF LABEL, LABELING MATERIAL.] Application for registration of a small package fertilizer or a specialty fertilizer or a soil or plant amendment shall be accompanied by:

(a) A label or label facsimile of each product for which registration is requested; and

(b) A copy of all labeling material used in this state for promotion and sale of each product being registered.

Sec. 6. Minnesota Statutes 1988, section 17.714, subdivision 6, is amended to read:

Subd. 6. [MAY NOT SELL WITHOUT REGISTRATION.] No distributor or manufacturer shall sell, offer for sale or distribute in this state any small package fertilizer, specialty fertilizer, soil or plant amendment unless it has been registered with the department of agriculture. Registration of such materials is not a warranty by the department or the state.

Sec. 7. Minnesota Statutes 1988, section 17.714, is amended by adding a subdivision to read:

Subd. 7. [EXCEPTION.] Specialty fertilizers custom applied are exempt from the registration requirements of this section.

Sec. 8. [17.7145] [APPLICATION OF REQUIREMENTS TO SEWAGE SLUDGE AND COMPOST.]

Subdivision 1. [PROVISIONS APPLYING TO SEWAGE SLUDGE.] Sewage sludge given away is exempt from all requirements of this chapter except the labeling requirements of this chapter.

Subd. 2. [ANALYSIS MEETS LABELING REQUIREMENTS.] A copy of the sewage sludge analysis required by the rules of the pollution control agency adopted under section 116.07, subdivision 4, is sufficient to meet the labeling requirements.

Subd. 3. [PROVISIONS APPLYING TO COMPOST.] Compost given away is exempt from all requirements of this chapter.

Sec. 9. Minnesota Statutes 1988, section 17.715, subdivision 1, is amended to read:

Subdivision 1. [LICENSED PERSONS.] A person who manufactures, blends, mixes, or otherwise manipulates commercial fertilizer material and a person who stores or distributes bulk fertilizer for resale shall obtain may not sell, distribute, custom apply, or otherwise manipulate fertilizers without obtaining a license from the commissioner for from each fixed location where the person does business within the state where these operations are performed and one license for all fixed locations that are located outside of the state.

Sec. 10. Minnesota Statutes 1988, section 17.715, subdivision 2, is amended to read:

Subd. 2. One license for all fixed locations of a firm which are located outside of the state shall be obtained from the commissioner. A distributor may not manipulate fertilizer by means of a mobile mechanical unit without a license from the commissioner for each mobile mechanical unit.

Sec. 11. Minnesota Statutes 1988, section 17.715, subdivision 4, is amended to read:

Subd. 4. Each license is effective until January 1 next following the date of its issuance or approval. All licenses shall be for the period January 1 to December 31 and shall be renewed thereafter by the licensee on or before January 1 of each year. A license shall is not be transferable from one person to another, or from the ownership to whom issued to another ownership, or from one location to another location.

Sec. 12. Minnesota Statutes 1988, section 17.715, is amended by adding a subdivision to read:

Subd. 6. [UNLICENSED SALES.] No distributor or manufacturer may sell, offer for sale, or distribute a fertilizer in this state without a license under this chapter unless the person is exempt from the licensing requirements in this chapter.

Sec. 13. Minnesota Statutes 1988, section 17.715, is amended by adding a subdivision to read:

Subd. 7. [COPY OF LABEL AND LABELING MATERIAL.] Application for license must include:

(1) an invoice delivery ticket, label, or label facsimile for each product manufactured or made as required by section 17.716; and

(2) a copy of all labeling material used in this state for promotion of each product manufactured or made.

Sec. 14. [17.7151] [APPLICATION REVIEW.]

Subdivision 1. [SUBSTANTIATION OF CLAIMS.] The commissioner may require a person applying for a license or registration to manufacture or distribute a product for use in Minnesota to submit authentic experimental evidence or university research data to substantiate the claims made for the product. As evidence to substantiate claims, the commissioner may rely on experimental data, evaluations, or advice furnished by experts at the University of Minnesota and may accept or reject additional sources of evidence in evaluating a fertilizer or soil or plant amendment. The experimental evidence must relate to conditions in Minnesota for which the product is intended. The commissioner may also require evidence of value when used as directed or recommended.

Subd. 2. [INSUFFICIENT EVIDENCE.] If the commissioner determines that the evidence submitted does not substantiate the product's usefulness in this state, the commissioner may require the applicant to submit samples, conduct tests, or submit additional information, including conditions affecting performance, in order to evaluate its performance and usefulness.

Subd. 3. [REFUSAL TO LICENSE OR REGISTER.] The commissioner may refuse to license a person or register a specialty fertilizer or soil or plant amendment:

- (1) if the application for license or registration is not complete;
- (2) if the commissioner determines that the fertilizer, soil amendment, plant amendment, or any other additives with substantially the same contents, will not or is not likely to produce the results or effects claimed when used as directed;
- (3) if the commissioner determines that the fertilizer, soil amendment, plant amendment, or any other additive with substantially the same contents, is not useful in this state; or
- (4) the facility is not safeguarded for bulk storage under section 17.7155 and as required by rule.

Subd. 4. [APPLICATION REVIEW AND REGISTRATION.] After reviewing the application accompanied by the application fee, the commissioner may issue a conditional license or registration to prevent unreasonable adverse effects on the environment or if the commissioner determines that the applicant needs the license or registration to accumulate information necessary to substantiate claims or to correct minor label violations. The commissioner may prescribe terms, conditions, and a limited period of time for the conditional license or registration. After a conditional license or registration is issued, the commissioner may revoke or modify the

license or registration if the commissioner finds that its terms or conditions are being violated or are inadequate to avoid unreasonable adverse effects on the environment.

The commissioner may deny issuance of a conditional license or registration if the commissioner determines that issuance of a license or registration is not warranted or that the use to be made of the product under the proposed terms and conditions may cause unreasonable adverse effects on the environment.

Subd. 5. [PROTECTION OF TRADE SECRETS.] (a) In submitting data required by this chapter, the applicant may:

(1) clearly mark any portions that in the applicant's opinion are trade secrets, or commercial, or financial information; and

(2) submit the marked material separately from other material.

(b) After consideration of the applicant's request submitted under paragraph (a), the commissioner shall not make any information public that in the commissioner's judgment contains or relates to trade secrets or to commercial or financial information obtained from an applicant. When necessary, information relating to formulas of products may be revealed to a state or federal agency consulted with similar protection of trade secret authority and may be revealed at a public hearing or in findings of facts issued by the commissioner.

(c) If the commissioner proposes to release information that the applicant or registrant believes to be protected from disclosure under paragraph (b), the commissioner shall notify the applicant or registrant by certified mail. The commissioner shall not make the information available for inspection until 30 days after receipt of the notice by the applicant or registrant. During this period, the applicant or registrant may institute an action in an appropriate court for a declaratory judgment as to whether the information is subject to protection under this section.

Sec. 15. [17.7153] [FERTILIZER PRACTICES.]

The commissioner shall:

(1) establish best management practices and water resources protection requirements involving fertilizer use, distribution, storage, handling, and disposal;

(2) cooperate with other state agencies and local governments to protect public health and the environment from harmful exposure to fertilizer; and

(3) appoint a task force to study the effects and impact on water resources from nitrogen fertilizer use so that best management practices, a fertilizer management plan, and nitrogen fertilizer use regulations can be developed. The task force must include farmers, representatives from farm organizations, the fertilizer industry, University of Minnesota, environmental groups, representatives of local government involved with comprehensive local water planning, and other state agencies, including the Minnesota pollution control agency, the Minnesota department of health, the Minnesota department of natural resources, the Minnesota state planning agency, the board of animal health, and the board of water and soil resources.

The task force shall review existing research including pertinent research from the University of Minnesota and shall develop recommendations for a nitrogen fertilizer management plan for the prevention, evaluation, and mitigation of nonpoint source occurrences of nitrogen fertilizer in waters of the state. The nitrogen fertilizer management plan must include components promoting prevention and developing appropriate responses to the detection of nitrate and related nitrogen from fertilizer sources in ground or surface water.

The task force shall report its recommendations to the commissioner by May 1, 1990. The commissioner shall report to the environmental quality board by July 1, 1990, on the task force's recommendations. The recommendations of this task force shall be incorporated into an overall nitrate and related nitrogen plan prepared by the pollution control agency and the department of agriculture as set forth in article 1, section 6.

Sec. 16. [17.7154] [PROHIBITED FERTILIZER ACTIVITIES.]

Subdivision 1. [STORAGE, HANDLING, DISTRIBUTION, OR DISPOSAL.] A person may not store, handle, distribute, or dispose of a fertilizer, rinsate, fertilizer container, or fertilizer application equipment in a manner:

(1) that endangers humans, damages agricultural products, food, livestock, fish, or wildlife;

(2) that will cause unreasonable adverse effects on the environment; or

(3) that will cause contamination of public or other waters of the state as defined in section 105.37, subdivisions 7 and 14, from backsiphoning or backflowing of fertilizers through water wells or from the direct flowage of fertilizers.

Subd. 2. [USE OF PUBLIC WATER SUPPLIES FOR FILLING

EQUIPMENT.] A person may not fill fertilizer application equipment directly from a public water supply, as defined in section 144.382, unless the outlet from the public water supply is equipped with a backflow prevention device that complies with Minnesota Rules, parts 4715.2000 to 4715.2280.

Subd. 3. [USE OF PUBLIC WATERS FOR FILLING EQUIPMENT.] A person may not fill fertilizer application equipment directly from public waters of the state, as defined in section 105.37, subdivision 14, unless the equipment contains proper and functioning anti-backsiphoning mechanisms. The person may not introduce fertilizers into the application equipment until after filling the equipment from the public waters.

Subd. 4. [CLEANING EQUIPMENT IN OR NEAR SURFACE WATER.] A person may not:

(1) clean fertilizer application equipment in surface waters of the state; or

(2) fill or clean fertilizer application equipment adjacent to surface waters, ditches, or wells where, because of the slope or other conditions, fertilizers or materials contaminated with fertilizers could enter or contaminate the surface waters, groundwater, or wells, as a result of overflow, leakage, or other causes.

Subd. 5. [FERTILIZER, RINSATE, AND CONTAINER DISPOSAL.] A person may only dispose of fertilizer, rinsate, and fertilizer containers in accordance with this chapter. The manner of disposal must not cause unreasonable adverse effects on the environment.

Sec. 17. Minnesota Statutes 1988, section 17.7155, is amended to read:

17.7155 [APPROVAL OF FACILITY AND EQUIPMENT.]

Subdivision 1. [APPROVAL.] A person beginning construction of or substantially altering an existing facility or equipment used for the manufacture, blending, handling, or bulk storage of commercial fertilizers, soil or plant amendments shall must obtain the approval of a permit from the commissioner on forms provided by the commissioner before the person constructs or substantially alters:

(1) safeguards; or

(2) an existing facility used for the manufacture, blending, handling, or bulk storage of fertilizers, soil amendments, or plant amendments. The commissioner may not grant a permit for a site

without safeguards that are adequate to prevent the escape or movement of the fertilizers from the site.

Subd. 2. [TRANSFER.] The approval shall not be transferable from one person to another, or from the ownership to whom issued to another ownership, or from one location to another.

Sec. 18. [17.7156] [CHEMIGATION.]

Subdivision 1. [PERMIT REQUIRED.] (a) A person may not apply fertilizers through an irrigation system without a chemigation permit from the commissioner. A chemigation permit is required for one or more wells, or other irrigation water source, that is protected from fertilizer contamination by devices as required by rule. The commissioner may allow irrigation to be used to apply fertilizers on crops and land, including agricultural, nursery, turf, golf course, and greenhouse sites.

(b) A person must apply for a chemigation permit on forms prescribed by the commissioner.

Subd. 2. [EQUIPMENT.] A chemigation system must be fitted with effective antisiphon devices or check valves that prevent the backflow of fertilizers or fertilizer-water mixtures into water supplies or other materials during times of irrigation system failure or equipment shutdown. The devices or valves must be installed between:

(1) the irrigation system pump or water source discharge and the point of fertilizer injection; and

(2) the point of fertilizer injection and the fertilizer supply.

Subd. 3. [APPLICATION FEE.] A person initially applying for a chemigation permit must pay a nonrefundable application fee of \$50. A person who holds a valid pesticide chemigation permit as required by chapter 18B is exempt from the fee in this subdivision.

Subd. 4. [RULES.] The commissioner shall, by rule, develop specific requirements for implementation of a program to regulate application of fertilizers by irrigation.

Sec. 19. Minnesota Statutes 1988, section 17.716, subdivision 1, is amended to read:

Subdivision 1. [LABEL CONTENTS.] Any commercial fertilizer offered for sale or sold or distributed in this state in bags, or other containers, shall must have placed on or affixed to the container a label setting forth in clearly legible and conspicuous form the following information: (a) (1) the net weight; (b) (2) the brand and

grade. When, except that the grade is not required if no primary nutrients are claimed, and if the commercial fertilizer material is used solely for agricultural purposes, inclusion of the grade on the tag or label, shall be is optional providing if the guaranteed analysis statement is shown in the complete form as in section 17.713, subdivision 8; (e) (3) the guaranteed analysis; (d) (4) the name and address of the guarantor; (5) directions for use; and (6) a derivatives statement. Such This information, if not appearing on the face or display side of the container in a conspicuous form, shall must appear on the upper one third of the side of the container; or on the upper end of the container or shall must be printed on tags affixed conspicuously to the upper end of the container.

Sec. 20. Minnesota Statutes 1988, section 17.716, subdivision 2, is amended to read:

Subd. 2. [BLENDS AND MIXTURES.] Any distributor who blends or mixes fertilizer materials to a customer's order without a guaranteed analysis of the final mixture shall furnish each and every purchaser, in written or printed form, an invoice or delivery ticket showing the net weight and guaranteed analysis of each and every one of the materials used in the mixture, which shall. This document must accompany the delivery. Records of invoices or delivery tickets must be kept for five years after the delivery or application.

Sec. 21. Minnesota Statutes 1988, section 17.716, subdivision 4, is amended to read:

Subd. 4. The plant food content of a given lot must remain uniform and may not become segregated within the lot.

Sec. 22. Minnesota Statutes 1988, section 17.718, is amended to read:

17.718 [TONNAGE REPORT.]

Subdivision 1. [SEMIANNUAL STATEMENT.] Each licensed distributor of ~~commercial~~ fertilizer and each registrant of a ~~commercial~~ specialty fertilizer, soil amendment, or plant amendment shall file with the commissioner on forms furnished by the commissioner, a semiannual statement for the periods ending December 31 and June 30 setting forth the number of net tons of each brand or grade of ~~commercial~~ fertilizer, soil amendment, or plant amendment distributed in this state during the reporting period. A report from a licensee who sells to an ultimate consumer must be accompanied by records or invoice copies indicating the name of the distributor who paid the inspection fee, the net tons received, and the grade or brand name of the products received. The report is due on or before the 30th 31st of the month following the close of each reporting period of each calendar year. The inspection fee at the rate stated in

section 17.717, subdivision 5 shall accompany the statement. For the tonnage report that is not filed or the payment of inspection fees that is not made within 30 31 days after the end of the reporting period, a penalty of ten percent of the amount due, with a minimum penalty of \$10, shall be assessed against the licensee or registrant, and the total amount of fees due, plus penalty, shall constitute a debt and may be recovered in a civil action against the licensee or registrant. The assessment of this penalty shall not prevent the department from taking other actions as provided in this chapter. The commissioner may by rule require additional reports for the purpose of gathering statistical data relating to fertilizer, soil amendments, and plant amendments distribution in the state.

Subd. 2. When more than one person is involved in the distribution of a commercial fertilizer, soil amendment, or plant amendment, the last person licensed distributor who imports, manufactures, or produces the fertilizer or who has the specialty fertilizer, soil amendment, or plant amendment registered and who distributes to a nonlicensed or nonregistrant dealer or consumer is responsible for the inspection fee on products produced or brought into this state after July 1, 1989. The distributor must separately list the inspection fee on the invoice to the licensee. The last licensee must retain the invoices showing proof of inspection fees paid for three years and must pay the inspection fee on products brought into this state before July 1, 1989, unless the reporting and paying of fees have been made by a prior distributor of the fertilizer.

Subd. 3. Submission of each tonnage report shall is also be authority for the commissioner's permission to verify the records upon which such the statement of tonnage is based.

Sec. 23. Minnesota Statutes 1988, section 17.719, subdivision 1, is amended to read:

Subdivision 1. [POWERS AND DUTIES OF COMMISSIONER ACCESS AND ENTRY.] The commissioner shall sample, inspect, make analysis of, and test commercial fertilizers, soil amendments and plant amendments offered for sale, sold, or distributed within this state at a time and place and to an extent the commissioner may deem necessary to determine whether the commercial fertilizers, soil amendments and plant amendments are in compliance with the provisions of sections 17.711 to 17.729, and may obtain additional information as the commissioner deems advisable. The commissioner is authorized to enter upon any public or private premises during regular business hours in order to have access to commercial fertilizers, soil amendments and plant amendments subject to the provisions of sections 17.711 to 17.729 and rules adopted under section 17.725. (a) The commissioner, upon presentation of official department credentials, must be granted access at reasonable times without delay to sites:

(1) where a person manufactures, formulates, distributes, uses, disposes of, stores, or transports a fertilizer, soil amendment, or plant amendment; and

(2) which the commissioner reasonably believes are affected, or possibly affected, by the use of a fertilizer, soil amendment or plant amendment, or device in violation of a provision of this chapter.

(b) The commissioner may enter sites for:

(1) inspection of equipment for the manufacture, blending, distribution, disposal, or application of fertilizers, soil amendments or plant amendments, and the premises on which the equipment is stored;

(2) sampling of sites actually or reportedly exposed to fertilizers, soil amendments, or plant amendments;

(3) inspection of storage, handling, distribution, use, or disposal areas of fertilizer, soil amendments, or plant amendments containers;

(4) inspection or investigation of complaints of injury to the environment;

(5) sampling of fertilizers, soil amendments, or plant amendments;

(6) observation of the use and application of a fertilizer, soil amendments, or plant amendments;

(7) inspection of records related to the manufacture, distribution, storage, handling, use, or disposal of fertilizer, soil amendments, or plant amendments;

(8) investigating the source, nature, extent of an incident, and the extent of the adverse effects on the environment;

(9) an emergency inspection at any time when a suspected incident may threaten public health or the environment; and

(10) other purposes necessary to implement this chapter.

Sec. 24. Minnesota Statutes 1988, section 17.719, subdivision 2, is amended to read:

Subd. 2. [OFFICIAL SAMPLE INSPECTION SAMPLES AND ANALYSES.] An official fertilizer, soil amendment or plant amendment sample shall be one drawn from a lot or shipment of fertilizer, soil amendment or plant amendment sold or exposed for sale in this

state in the manner prescribed by the commissioner. In sampling a lot of commercial fertilizer, soil amendment or plant amendment registered under section 17.714, subdivision 1, a single package may constitute the official sample. (a) Before leaving the premises the commissioner shall provide the owner, operator, or agent in charge of an inspected site with a receipt describing any samples obtained. If an analysis is made of the samples, a copy of the results of the analysis must be furnished to the owner, operator, or agent in charge.

(b) The methods of sampling and analysis shall be those adopted by the Association of Official Analytical Chemists. In cases not covered by such methods, or in cases where methods are available in which improved applicability has been demonstrated, the commissioner may adopt such appropriate methods from other sources.

In sampling a lot of fertilizer, soil amendment, or plant amendment registered under section 17.714, subdivision 1, a single package may constitute the official sample.

Sec. 25. Minnesota Statutes 1988, section 17.719, subdivision 3, is amended to read:

Subd. 3. [METHODS OF ANALYSIS OBTAINING EVIDENCE.] The methods of analysis shall be those adopted by the commissioner from published sources such as those of the association of official analytical chemists. In making inspections under this chapter, the commissioner shall have the power to administer oaths, certify as to official acts, issue subpoenas to and take and cause to be taken depositions of witnesses, and compel the attendance of witnesses and production of papers, books, documents, records, and testimony. If a person fails to comply with any subpoena lawfully issued, or a witness refuses to produce evidence or testify to any matter regarding which the person may be lawfully interrogated, the district court shall, upon application of the commissioner, compel obedience proceedings for contempt, as in the case of disobedience of the requirements of a subpoena issued by the court or a refusal to testify in the court.

Sec. 26. Minnesota Statutes 1988, section 17.719, subdivision 4, is amended to read:

Subd. 4. [INSPECTION; SAMPLING; ANALYSIS REQUEST FOR INSPECTION.] The commissioner shall inspect facilities and equipment used for the manufacture, blending, handling, or storing of commercial fertilizers or soil and plant amendments. The commissioner is authorized to enter upon any public or private premises during regular business hours in order to have access to facilities and equipment used to manufacture, blend, handle, or store commercial fertilizers or soil and plant amendments subject to the provisions of sections 17.711 to 17.729 and rules adopted under

section 17.725. A person who believes that a violation of this chapter has occurred may request an inspection by giving notice to the commissioner of such violation. Any such notice shall be in writing, shall set forth with reasonable particularity the grounds for the notice, and shall be signed by the person. If, upon receipt of the notice, the commissioner reasonably believes that a violation occurred, the commissioner shall, as soon as is practicable, make a special inspection in accordance with the provisions of this section as soon as practicable to determine if a violation occurred. An inspection conducted because of a complaint may cover an entire site and shall not be limited to that portion of the site specified in the notice. If the commissioner determines that there are no reasonable grounds to believe that a violation occurred, the commissioner shall notify the person in writing of that determination.

Sec. 27. Minnesota Statutes 1988, section 17.719, is amended by adding a subdivision to read:

Subd. 5. [REFUSAL TO PERMIT ENTRY.] Upon the refusal or anticipated refusal, based on a refusal to permit entrance on a prior occasion, of an owner, operator, or agent in charge to permit entry as specified in this chapter, the commissioner may apply for an order in the district court in the county in which a site is located to compel a person with authority to permit the commissioner to enter and inspect the site.

Sec. 28. Minnesota Statutes 1988, section 17.719, is amended by adding a subdivision to read:

Subd. 6. [PAYMENT OF COSTS.] If an inspection or investigation reveals that a violation of this chapter has occurred, the commissioner may require the violator to pay the commissioner for the reasonable costs incurred by the commissioner in that inspection or investigation. The commissioner may enter an order for recovery of such costs.

Sec. 29. Minnesota Statutes 1988, section 17.72, is amended to read:

17.72 [FERTILIZER, SOIL AMENDMENT OR PLANT AMENDMENT-PESTICIDE MIXTURE.]

Each distributor who blends, mixes, or otherwise adds pesticides to commercial fertilizer materials fertilizers, soil amendments or plant amendments shall be licensed in accordance with section 17.715, and shall comply with the provisions of sections 18A.21 to 18A.45 article 3 and the federal insecticide, fungicide and rodenticide act (Public Law 92-516), as amended.

Sec. 30. Minnesota Statutes 1988, section 17.721, is amended by adding a subdivision to read:

Subd. 3. [PLANT FOOD DEFICIENCIES.] Paragraphs (a) to (d) cover plant food deficiencies.

(a) Analysis must show that a fertilizer is deficient (1) in one or more of its guaranteed primary plant nutrients beyond the investigational allowances and compensations as established by regulation, or (2) if the overall index value of the fertilizer is shown below the level established by rule.

(b) A deficiency in an official sample of mixed fertilizer resulting from nonuniformity is not distinguishable from a deficiency due to actual plant nutrient shortage and is properly subject to official action.

(c) For the purpose of determining the commercial index value to be applied, the commissioner shall determine at least annually the values per unit of nitrogen, available phosphoric acid, and soluble potash in fertilizers in this state.

(d) If any fertilizer in the possession of the consumer is found by the commissioner to be short in weight, the registrant or licensee of the fertilizer must within 30 days after official notice from the commissioner submit to the consumer a penalty payment of two times the value of the actual shortage.

Sec. 31. Minnesota Statutes 1988, section 17.722, is amended to read:

17.722 [FALSE OR MISLEADING STATEMENTS.]

The commercial fertilizer, soil amendment or plant amendment is misbranded if it carries a false or misleading statement on the container, on the label attached to the container, or if false or misleading statements concerning the fertilizer, soil amendment or plant amendment are disseminated in any manner or by any means. It is unlawful to distribute a misbranded fertilizer, soil amendment or plant amendment.

Sec. 32. Minnesota Statutes 1988, section 17.723, is amended to read:

17.723 [ADULTERATION.]

No person shall distribute an adulterated fertilizer, soil amendment or plant amendment product. A commercial fertilizer, soil amendment or plant amendment shall be deemed to be adulterated:

(a) If it contains any deleterious or harmful ingredient in sufficient

amount to render it injurious to plant life when applied in accordance with directions for use on the label; or (b) If its composition falls below or differs from that which it is purported to possess by its labeling; or (c) If it contains unwanted crop seed or weed seed.

Adulterated products that cannot be reconditioned must be disposed of according to ~~approved~~ approved methods approved by the commissioner.

Sec. 33. Minnesota Statutes 1988, section 17.725, subdivision 2, is amended to read:

Subd. 2. [LIMING MATERIALS.] The commissioner may adopt rules governing the labeling, registration, and distribution of liming materials sold for agricultural purposes, ~~including limestone (carbonates), sulfates, slags (silicates), burned lime (oxides), and hydrated lime (hydroxides).~~ Such products shall not be subject to any tonnage fees under section 17.717, subdivision 4. No registration fee may be imposed on any distributor who sells liming materials only at retail to customers.

Sec. 34. Minnesota Statutes 1988, section 17.725, is amended by adding a subdivision to read:

Subd. 4. [NATIONAL CONFORMITY.] The commissioner may promulgate and amend rules for the efficient administration and enforcement of the Minnesota fertilizer, soil amendment and plant amendment law. The rules must conform with national standards, insofar as that is practicable and consistent with state law.

Sec. 35. Minnesota Statutes 1988, section 17.725, is amended by adding a subdivision to read:

Subd. 5. [HEARINGS.] Hearings authorized or required by law must be conducted by the commissioner or an officer, agent, or employee the commissioner designates.

Sec. 36. Minnesota Statutes 1988, section 17.725, is amended by adding a subdivision to read:

Subd. 6. [ADOPTION OF NATIONAL STANDARDS.] Applicable national standards contained in the 1989 official publication number 42, of the Association of American Plant Food Control Officials including the rules and regulations, statements of uniform interpretation and policy, and the official fertilizer terms and definitions, and not otherwise adopted by the commissioner, may be adopted as fertilizer rules of this state.

Sec. 37. Minnesota Statutes 1988, section 17.728, subdivision 1, is amended to read:

Subdivision 1. [REGISTRATION.] The commissioner may cancel the registration of any ~~commercial~~ specialty fertilizer, soil amendment or plant amendment or refuse to register any brand of ~~commercial~~ specialty fertilizer, soil amendment or plant amendment as herein provided, upon satisfactory evidence that the registrant has used fraudulent or deceptive practices in the evasion or attempted evasion of the provisions of sections 17.711 to 17.729 or any rules adopted under section 17.725. No registration shall be revoked until the registrant has been given opportunity for a hearing by the commissioner.

Sec. 38. Minnesota Statutes 1988, section 17.728, is amended by adding a subdivision to read:

Subd. 6. [ENFORCEMENT REQUIRED.] (a) The commissioner shall enforce this chapter.

(b) Upon the request of the commissioner, county attorneys, sheriffs, and other officers having authority in the enforcement of the general criminal laws shall take action to the extent of their authority necessary or proper for the enforcement of this chapter or special orders, standards, stipulations, and agreements of the commissioner.

(c) The commissioner shall have authority by administrative order to assess penalties of up to \$700 for a violation of a provision of this chapter.

(d) In determining the size of a penalty, the commissioner shall consider the economic benefit gained by the person by allowing or committing the violation, the gravity of the violation in terms of actual or potential damage to the environment, and the violator's culpability, good faith, and history of violations.

(e) The administrative penalty may be assessed if the person subject to a corrective action order or remedial action order does not comply with the order in a reasonable time as provided in the order. The commissioner must state the amount of the administrative penalty in the corrective action order or remedial action order.

(f) Penalties assessed under this chapter shall be paid to the commissioner for deposit in the fertilizer regulatory account. If a violator fails to pay a penalty which is part of a final order within 30 days, the commissioner may commence a civil action for double the assessed penalty and attorney fees and costs. A penalty may be recovered in a civil action in the name of the department brought in the district court of the county where the violation is alleged to have occurred or the district court where the commissioner has an office.

Sec. 39. Minnesota Statutes 1988, section 17.728, is amended by adding a subdivision to read:

Subd. 7. [CRIMINAL ACTIONS.] For a criminal action, the county attorney from the county where a criminal violation occurred is responsible for prosecuting a criminal violation of this chapter. If the county attorney refuses to prosecute, the attorney general may prosecute.

Sec. 40. Minnesota Statutes 1988, section 17.728, is amended by adding a subdivision to read:

Subd. 8. [CIVIL ACTIONS.] Civil judicial enforcement actions may be brought by the attorney general in the name of the state on behalf of the commissioner. A county attorney may bring a civil judicial enforcement action upon the request of the commissioner and agreement by the attorney general.

Sec. 41. Minnesota Statutes 1988, section 17.728, is amended by adding a subdivision to read:

Subd. 9. [INJUNCTION.] The commissioner may apply to a court with jurisdiction for a temporary or permanent injunction to prevent, restrain, or enjoin violations of this chapter.

Sec. 42. [17.7281] [ADMINISTRATIVE ACTION.]

Subdivision 1. [ADMINISTRATIVE REMEDIES.] The commissioner may seek to remedy violations by a written warning, administrative meeting, cease and desist, stop-use, stop-sale removal, or other special order, seizure, stipulation, agreement, or administrative penalty if the commissioner determines that the remedy is in the public interest.

Subd. 2. [REVOCAION AND SUSPENSION.] The commissioner may, after written notice and hearing, revoke, suspend, or refuse to grant a registration, permit, license, or certification if a person violates this chapter or has a history within the past three years of violations of this chapter.

Subd. 3. [SERVICE OF ORDER OR NOTICE.] If the person is not available for service of an order, the commissioner may attach the order to the fertilizer, soil amendment or plant amendment equipment, or device or facility, and notify the person. The fertilizer, soil amendment, or plant amendment, equipment, or device may not be sold, used, or removed until the fertilizer, soil amendment, or plant amendment equipment, or device has been released under conditions specified by the commissioner, an administrative law judge, or a court.

Sec. 43. [17.7282] [ADMINISTRATIVE COMPLIANCE.]

Subdivision 1. [CONTESTED ORDER.] After personal service of an order, a person shall be granted at least 45 days from receipt of the order within which to notify the commissioner in writing that the person intends to contest the order. If the person fails properly to notify the commissioner that the person intends to contest the order, the order shall be deemed a final order of the agency and not subject to review by any court or agency.

Subd. 2. [ADMINISTRATIVE REVIEW.] (a) If a person notifies the commissioner that the person intends to contest an order issued under this chapter, the state office of administrative hearings shall conduct a hearing in accordance with the applicable provisions of chapter 14 for hearings. A hearing shall be conducted at a place designated by the commissioner within the county where the violation occurred or where the person contesting the order resides or has a principal place of business or any other place on which all the parties agree.

(b) Notwithstanding any provision of chapter 14, the final administrative law report shall be the final decision of the agency. Only an administrative law judge, under rules adopted by the office of administrative hearings, may entertain any application or reconsideration of a final agency decision.

Subd. 3. [JUDICIAL REVIEW.] (a) The commissioner or any party aggrieved by a final agency decision may seek judicial review of a final agency decision under sections 14.63 to 14.69.

(b) Any additional evidence required by a reviewing court under section 14.67 shall be taken by an administrative law judge. Only an administrative law judge may change the agency decision or any findings contained in it. The administrative law judge shall file with the reviewing court the additional evidence, together with any modifications or new findings or decisions as provided in section 14.67.

Subd. 4. [RECOVERING EXPENSES.] A prevailing party, including the commissioner, may recover the reasonable and necessary expenses incurred in a contested case or an appeal from a contested case.

Sec. 44. [17.7283] [CIVIL PENALTIES.]

Subdivision 1. [GENERAL PENALTY.] Except as provided in subdivision 2, a person who violates a provision of this chapter or a special order, standard, stipulation, agreement, or schedule of compliance of the commissioner is subject to a civil penalty of up to \$5,000 per day of violation as determined by the court.

Subd. 2. [DISPOSAL THAT BECOMES HAZARDOUS WASTE.] A person who violates a provision of this chapter or a special order, standard, stipulation, agreement, or schedule of compliance of the commissioner that relates to disposal of fertilizers, soil amendments, or plant amendments so that they become hazardous waste, is subject to the penalties in section 115.071.

Subd. 3. [DEFENSE TO CIVIL REMEDIES AND DAMAGES.] As a defense to a civil penalty or claim for damages under subdivisions 1 to 4, the defendant may prove that the violation was caused solely by an act of God, an act of war, or an act or failure to act that constitutes sabotage or vandalism, or any combination of these defenses.

Subd. 4. [ACTIONS TO COMPEL PERFORMANCE.] In an action to compel performance of an order of the commissioner to enforce a provision of this chapter, the court may require a defendant adjudged responsible to perform the acts within the person's power that are reasonably necessary to accomplish the purposes of the order.

Subd. 5. [RECOVERY OF PENALTIES BY CIVIL ACTION.] The civil penalties and payments provided for in this section may be recovered by a civil action brought by the county attorney or the attorney general in the name of the state.

Subd. 6. [RECOVERY OF LITIGATION COSTS AND EXPENSES.] A prevailing party may recover the reasonable and necessary value of all or a part of the litigation expenses incurred in an action brought under this chapter for civil penalties or injunctive relief, or in an action to compel compliance. In determining the amount of these litigation expenses to be allowed, the court shall give consideration to the economic circumstances of the defendant.

Sec. 45. [17.7284] [CRIMINAL PENALTIES.]

Subdivision 1. [GENERAL VIOLATION.] Except as provided in subdivisions 2 and 3, a person is guilty of a misdemeanor, if the person violates a provision of this chapter, or a special order, standard, stipulation, agreement, or schedule or compliance of the commissioner.

Subd. 2. [VIOLATION ENDANGERING HUMANS.] A person is guilty of a gross misdemeanor if the person violates a provision of this chapter or a special order, standard, stipulation, agreement, or schedule of compliance of the commissioner, and the violation endangers humans.

Subd. 3. [VIOLATION WITH KNOWLEDGE.] A person is guilty of a gross misdemeanor if the person knowingly violates a provision

of this chapter or standard, or a special order, stipulation, agreement, or schedule of compliance of the commissioner.

Subd. 4. [DISPOSAL THAT BECOMES HAZARDOUS WASTE.] A person who knowingly, or with reason to know, disposes of a fertilizer or soil and plant amendment so that the product becomes hazardous waste is subject to the penalties in section 115.071.

Sec. 46. Minnesota Statutes 1988, section 17.7285, is amended to read:

17.7285 [INCIDENTS.]

The commissioner may apply appropriate, efficient procedures to contain and control fertilizers and soil and plant amendments involved in an emergency incident likely to cause unreasonable adverse effects on the environment. For purposes of this section "incident" includes a flood, fire, tornado, or motor vehicle accident, which unintentionally releases fertilizers and soil and plant amendments on the environment. Persons involved in or responsible for an incident shall report the incident to the commissioner immediately upon discovering the incident. The department of agriculture shall be the lead government agency for decisions involving the emergency.

Sec. 47. [17.7286] [FERTILIZER RELEASE INCIDENTS.]

Subdivision 1. [CORRECTIVE ACTION ORDERS.] A responsible party or an owner of real property must, upon discovering that an incident has occurred, immediately report that incident to the commissioner. The responsible party must submit a written report of the incident to the commissioner containing the information requested by the commissioner within the time specified by the commissioner. After determining an incident has occurred, the commissioner may order the responsible party to take reasonable and necessary corrective actions. The commissioner shall notify the owner of real property where corrective action is ordered that access to the property will be required for the responsible party or the commissioner to take corrective action. A political subdivision may not request or order any person to take an action that conflicts with the corrective action ordered by the commissioner. The attorney general may bring an action to compel corrective action.

Subd. 2. [COMMISSIONER AND COMPELLED PERFORMANCE CORRECTIVE ACTIONS.] The commissioner may take corrective action if:

- (1) a responsible party cannot be identified; or

(2) an identified responsible party cannot or will not comply with an order issued under subdivision 1.

Subd. 3. [EMERGENCY CORRECTIVE ACTION.] To assure an adequate response to an incident, the commissioner may take corrective action without following the procedures of subdivision 1 if the commissioner determines that the incident constitutes a clear and immediate danger requiring immediate action to prevent, minimize, or mitigate damage to the public health and welfare or the environment. Before taking an action under this subdivision, the commissioner shall make all reasonable efforts, taking into consideration the urgency of the situation, to order a responsible party to take a corrective action and notify the owner of real property where the corrective action is to be taken.

Subd. 4. [LEAD AGENCY.] The department of agriculture is the lead state agency in taking corrective action for incidents.

Subd. 5. [CONTINGENCY PLAN.] Persons storing bulk fertilizers or soil and plant amendment products must develop and maintain a contingency plan that describes the storage, handling, disposal, and incident handling practices. The plan must be kept at a principal business site or location within this state and must be submitted to the commissioner upon request. The plan must be available for inspection by the commissioner.

Sec. 48. [17.7287] [RESPONSIBILITY FOR COSTS.]

Subdivision 1. [RESPONSIBLE PARTY.] (a) A responsible party is liable for the costs, including administrative costs, for corrective action under section 47. The commissioner may issue an order for recovery of corrective action costs. The cleanup costs and other expenses must be paid after a corrective order is issued.

(b) A responsible party is also liable for the costs of any destruction to wildlife. Payments of these costs must be deposited in the game and fish fund in the state treasury.

Subd. 2. [AVOIDANCE OF LIABILITY.] (a) A responsible party may not avoid liability by a conveyance of any right, title, or interest in real property or by any indemnification, hold harmless agreement, or similar agreement.

(b) This subdivision does not:

(1) prohibit a person who may be liable from entering an agreement by which the person is insured, held harmless, or indemnified for part or all of the liability;

(2) prohibit the enforcement of an insurance, hold harmless, or indemnification agreement; or

(3) bar a cause of action brought by a person who may be liable or by an insurer or guarantor, whether by right of subrogation or otherwise.

Subd. 3. [OWNER OF REAL PROPERTY.] An owner of real property is not a responsible party for an incident on the property unless that person:

(1) was engaged in manufacturing, making, transporting, storing, handling, applying, distributing, or disposing of a fertilizer on the property;

(2) knowingly permitted any person to make regular use of the property for disposal of fertilizers; or

(3) violated this chapter in a way that contributed to the incident.

Subd. 4. [DEFENSE.] As a defense to a penalty or liability for damages, a person may prove that the violation was caused solely by an act of God, an act of war, or an act or failure to act that constitutes sabotage or vandalism, or any combination of these defenses.

Sec. 49. [17.7288] [APPORTIONMENT AND CONTRIBUTION.]

Subdivision 1. [RIGHT OF APPORTIONMENT; FACTORS.] A person held liable under this chapter has the right to have the trier of fact apportion liability among the parties as provided in this section. The burden is on each responsible party to show how that responsible party's liability should be apportioned. The trier of fact shall reduce the amount of damages in proportion to any amount of liability apportioned to the party recovering.

In apportioning the liability of a party under this section, the trier of fact shall consider the following:

(1) the extent to which that party contributed to the incident;

(2) the amount of fertilizer, soil amendment, or plant amendment involved;

(3) the degree of toxicity of the fertilizer, soil amendment, or plant amendment involved;

(4) the degree of involvement of and care exercised by the party in manufacturing, blending, handling, storing, distributing, transport-

ing, applying, and disposing of the fertilizer, soil amendment, or plant amendment;

(5) the degree of cooperation by the party with federal, state, or local officials to prevent any harm to the public health or the environment; and

(6) knowledge by the party of the hazardous nature of the fertilizer, soil amendment, or plant amendment.

Subd. 2. [CONTRIBUTION.] If a person is held liable under this chapter and establishes a proportionate share of the aggregate liability, section 604.02, subdivisions 1 and 2, apply with respect to contribution and reallocation of any uncollectible amounts, except that an administrative law judge may also perform the functions of a court identified in section 604.02, subdivision 2.

Sec. 50. Minnesota Statutes 1988, section 17.73, subdivision 5, is amended to read:

Subd. 5. [CERTIFICATION FEES.] (a) A laboratory applying for certification shall pay an application fee of \$100 and a certification fee of \$100 before the certification is issued.

(b) Certification is valid for one year and the renewal fee is \$100. The commissioner shall charge an additional application fee of \$100 if a certified laboratory allows certification to lapse before applying for renewed certification.

(c) The commissioner shall notify a certified lab that its certification lapses within 30 to 60 days of the date when the certification lapses.

~~(d) Fees collected under this subdivision must be deposited in the state treasury and credited to the laboratory services account. The money in the account is annually appropriated to the commissioner to administer this section.~~

Sec. 51. Minnesota Statutes 1988, section 43A.08, subdivision 1, is amended to read:

Subdivision 1. [UNCLASSIFIED POSITIONS.] Unclassified positions are held by employees who are:

(a) chosen by election or appointed to fill an elective office;

(b) heads of agencies required by law to be appointed by the governor or other elective officers, and the executive or administrative heads of departments, bureaus, divisions, and institutions specifically established by law in the unclassified service;

(c) deputy and assistant agency heads and one confidential secretary in the agencies listed in subdivision 1a;

(d) the confidential secretary to each of the elective officers of this state and, for the secretary of state, state auditor, and state treasurer, an additional deputy, clerk, or employee;

(e) intermittent help employed by the commissioner of public safety to assist in the issuance of vehicle licenses;

(f) employees in the offices of the governor and of the lieutenant governor and one confidential employee for the governor in the office of the adjutant general;

(g) employees of the Washington, D.C., office of the state of Minnesota;

(h) employees of the legislature and of legislative committees or commissions; provided that employees of the legislative audit commission, except for the legislative auditor, the deputy legislative auditors, and their confidential secretaries, shall be employees in the classified service;

(i) presidents, vice-presidents, deans, other managers and professionals in academic and academic support programs, administrative or service faculty, teachers, research assistants, and student employees eligible under terms of the federal economic opportunity act work study program in the school and resource center for the arts, state universities and community colleges, but not the custodial, clerical, or maintenance employees, or any professional or managerial employee performing duties in connection with the business administration of these institutions;

(j) officers and enlisted persons in the national guard;

(k) attorneys, legal assistants, examiners, and three confidential employees appointed by the attorney general or employed with the attorney general's authorization;

(l) judges and all employees of the judicial branch, referees, receivers, jurors, and notaries public, except referees and adjusters employed by the department of labor and industry;

(m) members of the state patrol; provided that selection and appointment of state patrol troopers shall be made in accordance with applicable laws governing the classified service;

(n) chaplains employed by the state;

(o) examination monitors and intermittent training instructors employed by the departments of employee relations and commerce and by professional examining boards;

(p) student workers; and

(q) employees unclassified pursuant to other statutory authority; and

(r) intermittent employees employed by the department of agriculture to perform duties related to pesticide, fertilizer, and seed regulation.

Sec. 52. Minnesota Statutes 1988, section 604.02, subdivision 1, is amended to read:

Subdivision 1. When two or more persons are jointly liable, contributions to awards shall be in proportion to the percentage of fault attributable to each, except that each is jointly and severally liable for the whole award. Except in cases where liability arises under chapters 17 - fertilizer regulations, 18B - pesticide control, 115 - water pollution control, 115A - waste management, 115B - environmental response and liability, 115C - leaking underground storage tanks, and 299E - pipeline safety, public nuisance law for damage to the environment or the public health, any other environmental or public health law, or any environmental or public health ordinance or program of a municipality as defined in section 466.01, a person whose fault is 15 percent or less is liable for a percentage of the whole award no greater than four times the percentage of fault, including any amount reallocated to that person under subdivision 2.

If the state or a municipality as defined in section 466.01 is jointly liable, and its fault is less than 35 percent, it is jointly and severally liable for a percentage of the whole award no greater than twice the amount of fault, including any amount reallocated to the state or municipality under subdivision 2.

Sec. 53. [REPEALER.]

Minnesota Statutes 1988, sections 17.714, subdivisions 4, 4a, and 4b; 17.715, subdivision 3; 17.721; 17.726; 17.727; 17.728, subdivisions 4 and 5; 17.729; and 17.73, subdivision 5, paragraph (d), are repealed.

ARTICLE 3

PESTICIDE CONTROL

Section 1. [17.114] [SUSTAINABLE AGRICULTURE.]

Subdivision 1. [PURPOSE.] The purpose of this section is to assure the viability of Minnesota agriculture.

Subd. 2. [REPORT.] The commissioner of agriculture shall investigate, demonstrate, report on, and make recommendations on the current and future sustainability of Minnesota agriculture.

Subd. 3. [DEFINITIONS.] For purposes of this section, the following definitions apply:

(a) "Sustainable agriculture" represents the best aspects of traditional and modern agriculture by using a fundamental understanding of nature, as well as the latest scientific advances to create integrated, self-reliant, resource conserving practices that increase farm profitability, maintain or improve the quality of soil and water resources, and lessen dependency on nonrenewable resources, and thereby enhance the enrichment of the environment and provide short- and long-term productive agriculture.

(b) "Integrated pest management" means use of a combination of approaches, incorporating the judicious application of ecological principles, management techniques, cultural and biological controls, and chemical methods, to keeping pests below levels where they do economic damage.

Subd. 4. [DUTIES.] The commissioner shall:

(1) establish a task force of appropriate agencies and organizations to assist the department by:

(i) recommending indices or measures to assess the long-term sustainability of Minnesota agriculture;

(ii) assisting the commissioner in evaluating the identified trends;

(iii) identifying new innovations; and

(iv) suggesting state policies and programs that may be needed to assure the sustainability of Minnesota agriculture and related natural resources;

(2) establish a clearinghouse and provide information, appropriate educational opportunities, and other assistance to individuals, producers, and groups about sustainable agricultural techniques, practices, and opportunities;

(3) survey producers, support services, and organizations to determine information and research needs in the area of sustainable agricultural practices;

(4) demonstrate the applicability of sustainable agriculture practices to Minnesota conditions;

(5) coordinate the efforts of state agencies regarding activities relating to sustainable agriculture;

(6) direct the programs of the department so as to work toward the sustainability of Minnesota agriculture;

(7) inform agencies of how state or federal programs could utilize and support sustainable agriculture practices;

(8) work with farmers, the University of Minnesota, public post-secondary institutions, and other appropriate organizations to identify opportunities and needs as well as promote cooperation, assure coordination, and avoid duplication of efforts regarding research, teaching, and extension work relating to sustainable agriculture; and

(9) report to the legislature every odd-numbered year on at least the following:

(i) the presentation and analysis of findings regarding the current status and trends of the economic condition of producers, the status of soil and water resources utilized by production agriculture, the magnitude of off-farm inputs used and the amount of nonrenewable resources used by Minnesota farmers;

(ii) a description of current state or federal programs directed toward sustainable agriculture including significant results and experience of those programs;

(iii) a description of specific actions the department of agriculture is taking in the area of sustainable agriculture;

(iv) a description of current and future research needs at all levels in the area of sustainable agriculture; and

(v) suggestions for changes in existing programs or policies or enactment of new programs of policies that will affect farm profitability, maintain soil and water quality, reduce input costs, or lessen dependence upon nonrenewable resources.

Subd. 5. [INTEGRATED PEST MANAGEMENT.] The state shall promote and facilitate the use of integrated pest management through education, financial assistance, information and research.

Subd. 6. [INTEGRATED PEST MANAGEMENT APPROACH.] The commissioner shall coordinate the development of a state approach to the promotion and use of integrated pest management,

which shall include delineation of the responsibilities of the state, public post-secondary institutions, Minnesota extension service, local units of government, and the private sector; establishment of information exchange and integration; procedures for identifying research needs and reviewing and preparing informational materials; procedures for factoring integrated pest management into state laws, rules, and uses of pesticides; and identification of barriers to adoption. The commission shall report to the governor and legislature by November 15, 1990 and on a biennial basis thereafter.

Subd. 7. [CONSULTANT CERTIFICATION.] The commissioner shall, in consultation with Minnesota extension service and the consultant community, develop recommendations for a mandatory state crop consultant certification program under chapter 326 and report its recommendations to the governor and legislature by November 15, 1990. The program shall include consideration of educational requirements, current professional certification programs, and certification subcategories based on the need for consultant specialization.

Subd. 8. [STATE USES OF PESTICIDES AND NUTRIENTS.] The state shall use integrated pest management techniques in its management of public lands, including roadside rights-of-way, parks and forests; and shall use planting regimes that minimize the need for pesticides and added nutrients.

Subd. 9. [USER INFORMATION SYSTEM.] The commissioner shall promote establishment of a pilot pesticide and nutrient user information system at the county level in cooperation with the board of water and soil resources, the United States Soil Conservation Service, and the Minnesota extension service, to ensure that accurate and consistent information is available at the local level on recommended application rates and possible environmental impacts.

Subd. 10. [COOPERATION OF OTHER AGENCIES.] Other agencies of state government and the University of Minnesota shall cooperate with the commissioner in the exercise of responsibilities under this section. The commissioner of agriculture shall consult with the University of Minnesota and other agencies and organizations in carrying out duties under this section.

Sec. 2. Minnesota Statutes 1988, section 17.73, subdivision 3, is amended to read:

Subd. 3. [ANALYSES REPORTING STANDARDS.] (a) The results obtained from soil or plant analysis must be reported in accordance with standard reporting units established by the commissioner by rule. The standard reporting units must conform as far as practical to uniform standards that are adopted on a regional or national basis.

(b) If a certified laboratory offers a recommendation, the University of Minnesota recommendation or that of another land grant college in a contiguous state must be offered in addition to other recommendations, and the source of the recommendation must be identified on the recommendation form. If relative levels such as low, medium, or high are presented to classify the analytical results, the corresponding relative levels based on the analysis as designated by the University of Minnesota or the land grant college in a contiguous state must also be presented.

(c) Information on efficient and environmentally sound practices based on research studies shall be included with all soil test results.

Sec. 3. Minnesota Statutes 1988, section 18B.01, subdivision 5, is amended to read:

Subd. 5. [COMMERCIAL APPLICATOR.] "Commercial applicator" means a person who has or is required to have a commercial applicator license.

Sec. 4. Minnesota Statutes 1988, section 18B.01, is amended by adding a subdivision to read:

Subd. 6a. [CORRECTIVE ACTION.] "Corrective action" means action taken to minimize, eliminate, or clean up an incident.

Sec. 5. Minnesota Statutes 1988, section 18B.01, subdivision 12, is amended to read:

Subd. 12. [INCIDENT.] "Incident" means a flood, fire, tornado, transportation accident, storage container rupture, ~~portable container rupture~~, leak, spill, emission, discharge, escape, leach, disposal, or other event that releases or immediately threatens to release a pesticide accidentally or otherwise into the environment, and may cause-unreasonable adverse effects on the environment. "Incident" does not include the lawful use or intentional release of a pesticide in accordance with its approved label or labeling or a discharge or other release authorized by law.

Sec. 6. Minnesota Statutes 1988, section 18B.01, subdivision 15, is amended to read:

Subd. 15. [NONCOMMERCIAL APPLICATOR.] "Noncommercial applicator" means a person with who has or is required to have a noncommercial applicator license.

Sec. 7. Minnesota Statutes 1988, section 18B.01, is amended by adding a subdivision to read:

Subd. 15a. [OWNER OF REAL PROPERTY.] "Owner of real

property” means a person who is in possession of, has the right of control, or controls the use of real property, including without limitation a person who may be a fee owner, lessee, renter, tenant, lessor, contract for deed vendee, licensor, licensee, or occupant.

Sec. 8. Minnesota Statutes 1988, section 18B.01, subdivision 19, is amended to read:

Subd. 19. [PESTICIDE DEALER.] “Pesticide dealer” means a person with who has or is required to have a pesticide dealer license.

Sec. 9. Minnesota Statutes 1988, section 18B.01, subdivision 21, is amended to read:

Subd. 21. [PRIVATE APPLICATOR.] “Private applicator” means a person certified to use or supervise use of restricted use pesticides.

Sec. 10. Minnesota Statutes 1988, section 18B.01, subdivision 23, is amended to read:

Subd. 23. [RESPONSIBLE PARTY.] “Responsible party” means a person or persons who at the time of an incident has custody of, control of, or responsibility for a pesticide, pesticide container, or pesticide rinsate.

Sec. 11. Minnesota Statutes 1988, section 18B.01, subdivision 26, is amended to read:

Subd. 26. [SAFEGUARD.] “Safeguard” means a facility, equipment, device, or system, or a combination of these, as required by rule, designed to prevent the escape or movement of a pesticide from the place it is stored or kept under conditions that might otherwise result in contamination of the environment an incident.

Sec. 12. Minnesota Statutes 1988, section 18B.01, subdivision 30, is amended to read:

Subd. 30. [STRUCTURAL PEST CONTROL APPLICATOR.] “Structural pest control applicator” means a person with who has or is required to have a structural pest control license.

Sec. 13. Minnesota Statutes 1988, section 18B.04, is amended to read:

18B.04 [PESTICIDE IMPACT ON WATER QUALITY THE ENVIRONMENT.]

The commissioner shall:

(1) determine the impact of pesticides on the environment, including surface water and ground water in this the state;

(2) develop best management practices and water resources protection measures as defined in article 1, section 2, involving pesticide distribution, storage, handling, use, and disposal; and

(3) cooperate with and assist other state agencies and local governments to protect public health and the environment from harmful exposure to pesticides.

Sec. 14. Minnesota Statutes 1988, section 18B.07, subdivision 2, is amended to read:

Subd. 2. [PROHIBITED PESTICIDE USE.] (a) A person may not use, store, handle, distribute, or dispose of a pesticide, rinsate, pesticide container, or pesticide application equipment in a manner:

(1) that is inconsistent with a label or labeling;

(2) that endangers humans, damages agricultural products, food, livestock, fish, or wildlife, or beneficial insects; or

(3) that will cause unreasonable adverse effects on the environment.

(b) A person may not:

(1) direct a pesticide on onto property beyond the boundaries of the target site. A person may not apply a pesticide resulting in;

(2) apply a pesticide so as to cause damage to adjacent nearby property;

(c) A person may not directly;

(3) apply a pesticide on a human by overspray or target site spray;
or

(d) A person may not

(4) apply a pesticide in a manner so as to expose a worker human in an immediately adjacent, open field area.

Sec. 15. Minnesota Statutes 1988, section 18B.07, subdivision 3, is amended to read:

Subd. 3. [POSTING.] (a) If the pesticide labels prescribe specific hourly or daily intervals for human reentry following application,

the person applying the pesticide must post fields, buildings, or areas where the pesticide has been applied. The posting must be done with placards in accordance with label requirements and rules adopted under this section.

(b) Fields Sites being treated with pesticides through irrigation systems must be posted throughout the period of pesticide treatment. The posting must be done in accordance with labeling and rules adopted under this chapter.

Sec. 16. Minnesota Statutes 1988, section 18B.07, subdivision 4, is amended to read:

Subd. 4. [PESTICIDE SAFEGUARDS AT APPLICATION SITES.] A person may not allow a pesticide, rinsate, or unrinsed pesticide container to be stored, kept, or to remain in or on any site without safeguards adequate to prevent ~~the escape or movement of the pesticides from the site~~ an incident.

Sec. 17. Minnesota Statutes 1988, section 18B.07, subdivision 5, is amended to read:

Subd. 5. [USE OF PUBLIC WATER SUPPLIES FOR FILLING EQUIPMENT.] A person may not fill pesticide application equipment directly from a public water supply, as defined in section 144.382, unless the outlet from the public water supply is equipped with a backflow prevention device that complies with the Minnesota Plumbing Code under Minnesota Rules, parts 4715.2000 to 4715.2280. The person may not introduce pesticides into the application equipment until after filling the equipment from a public water supply.

Sec. 18. Minnesota Statutes 1988, section 18B.07, subdivision 7, is amended to read:

Subd. 7. [CLEANING EQUIPMENT IN OR NEAR SURFACE WATER.] (a) A person may not:

(1) clean pesticide application equipment in surface waters of the state; or

(2) fill or clean pesticide application equipment adjacent to surface waters, ditches, or wells where, because of the slope or other conditions, pesticides or materials contaminated with pesticides could enter or contaminate the surface waters, ground water, or wells, as a result of overflow, leakage, or other causes.

(b) This subdivision does not apply to permitted application of aquatic pesticides to public waters.

Sec. 19. Minnesota Statutes 1988, section 18B.08, subdivision 1, is amended to read:

Subdivision 1. [PERMIT REQUIRED.] (a) A person may not apply pesticides through an irrigation system without a chemigation permit from the commissioner. Only one chemigation permit is required for ~~two~~ one or more wells or other irrigation water sources that are protected from pesticide contamination by the same devices as required by rule. The commissioner may allow irrigation to be used to apply pesticides on crops and land, including agricultural, nursery, turf, golf course, and greenhouse sites.

(b) A person must apply for a chemigation permit on forms prescribed by the commissioner.

Sec. 20. Minnesota Statutes 1988, section 18B.08, subdivision 3, is amended to read:

Subd. 3. [EQUIPMENT.] A chemigation system must be fitted with effective antisiphon devices or check valves that prevent the backflow of pesticides or pesticide-water mixtures into water supplies or other materials during times of irrigation system failure or equipment shutdown. The devices or valves must be installed between:

(1) the irrigation system pump or water source discharge and the point of pesticide injection; and

(2) the point of pesticide injection and the pesticide supply.

Sec. 21. Minnesota Statutes 1988, section 18B.08, subdivision 4, is amended to read:

Subd. 4. [APPLICATION FEE.] A person initially applying for a chemigation permit must pay a nonrefundable application fee of \$50 for each well that is to be used in applying the pesticides by irrigation. A person who holds a valid fertilizer chemigation permit, as defined in chapter 17, is exempt from the fee in this section.

Sec. 22. Minnesota Statutes 1988, section 18B.15, is amended to read:

18B.15 [PESTICIDE RELEASE INCIDENTS.]

Subdivision 1. [DUTIES OF RESPONSIBLE PARTY CORRECTIVE ACTION ORDERS.] (a) A responsible party involved in an incident or an owner of real property must immediately, upon discovering that an incident has occurred, report the that incident to the department of agriculture and provide information as requested by the commissioner. The responsible party must pay for the costs

and immediately take all action necessary to minimize or abate the release and to recover pesticides involved in the incident.

(b) The responsible party must submit a written report of the incident to the commissioner containing the information requested by the commissioner within the time specified by the commissioner and also submit a written report to the commissioner containing the information requested by the commissioner within the time specified by the commissioner. After determining that an incident has occurred, the commissioner may order the responsible party to take reasonable and necessary corrective actions. The commissioner shall notify the owner of real property where corrective action is ordered that access to the property will be required for the responsible party or the commissioner to take corrective action. A political subdivision may not request or order any person to take an action that conflicts with the corrective action ordered by the commissioner. The attorney general may bring an action to compel corrective action.

Subd. 2. [COMMISSIONER'S COMMISSIONER AND COMPELLED PERFORMANCE CORRECTIVE ACTION.] (a) If in the judgment of the commissioner the responsible party does not take immediate and sufficient action to abate the release of and to recover the pesticide, The commissioner may take corrective action necessary to mitigate or correct the conditions resulting from an incident. The responsible party must reimburse the commissioner for the costs incurred by the commissioner in the enforcement of this subdivision.

(b) The department of agriculture is the lead state agency for responding to and taking action with regard to pesticide incidents. if:

- (1) a responsible party cannot be identified; or
- (2) an identified responsible party cannot or will not comply with an order issued under subdivision 1.

Subd. 3. [EMERGENCY CORRECTIVE ACTION.] To assure an adequate response to an incident, the commissioner may take corrective action without following the procedures of subdivision 1 if the commissioner determines that the incident constitutes a clear and immediate danger requiring immediate action to prevent, minimize, or mitigate damage to the public health and welfare or the environment. Before taking an action under this subdivision, the commissioner shall make all reasonable efforts, taking into consideration the urgency of the situation, to order a responsible party to take a corrective action and notify the owner of real property where the corrective action is to be taken.

Subd. 4. [LEAD AGENCY.] The department of agriculture is the lead state agency in taking corrective action for incidents.

Sec. 23. Minnesota Statutes 1988, section 18B.17, subdivision 2, is amended to read:

Subd. 2. [EDUCATION AND TRAINING AGREEMENTS.] For purposes of education and training only, the commissioner may enter into agreements or contracts with qualified public or private organizations that wish to offer training programs developed under this chapter. In addition, the commissioner may provide pesticide information and related educational materials to interested clientele and residents of Minnesota.

Sec. 24. Minnesota Statutes 1988, section 18B.18, is amended to read:

18B.18 [INSPECTION.]

Subdivision 1. [ACCESS AND ENTRY.] (a) ~~The commissioner, and the commissioner's agents, upon issuance~~ presentation of a notice of inspection official department credentials, must be granted access at reasonable times without delay to (1) sites where a restricted use pesticide is used; (2) (1) where a person manufactures, formulates, distributes, uses, disposes of, stores, or transports a pesticide in violation of provisions of this chapter; and (3) to all sites (2) which the commissioner reasonably believes are affected, or possibly affected, by the use of a pesticide, rinsate, pesticide container, or device in violation of a provision of this chapter.

(b) ~~The commissioner and commissioner's agents~~ may enter sites for:

(1) inspection of equipment for the manufacture, formulation, distribution, disposal, or application of pesticides and the premises on which the equipment is stored;

(2) sampling of sites actually or reportedly exposed to pesticides;

(3) inspection of storage, handling, distribution, use, or disposal areas of pesticides or pesticide containers;

(4) inspection or investigation of complaints of injury to humans, wildlife, domesticated animals, crops, or the environment;

(5) sampling of pesticides;

(6) observation of the use and application of a pesticide;

(7) inspection of records related to the manufacture, distribution, storage, handling, use, or disposal of pesticides; and

(8) investigating the source, nature, and extent of an incident, and the extent of the adverse effects on the environment; and

(9) other purposes necessary to implement this chapter.

Subd. 2. [NOTICE OF INSPECTION SAMPLES AND ANALYSES.] Before leaving the premises inspected, The commissioner shall provide the owner, operator, or agent in charge with a receipt describing the suspected violation and any samples obtained. The commissioner shall also split any samples obtained and provide these to the owner, operator, or agent in charge for independent analysis if so desired. If an analysis is made of the samples, a copy of the results of the analysis must be furnished to the owner, operator, or agent in charge within 30 days of completion. If an analysis is not completed on the samples obtained, the commissioner shall notify the owner, operator, or agent in charge within 30 days of making this decision.

Subd. 3. [OBTAINING EVIDENCE.] In making inspections under this chapter, the commissioner may administer oaths, certify as to official acts, issue subpoenas to and take and cause to be taken depositions of witnesses, and compel the attendance of witnesses and production of papers, books, documents, records, and testimony. If a person fails to comply with a subpoena lawfully issued, or a witness refuses to produce evidence or testify to a matter regarding which the person may be lawfully interrogated, the district court shall, upon application of the commissioner, compel obedience proceedings for contempt, as in the case of disobedience of the requirements of a subpoena issued by the court or a refusal to testify in the court.

Subd. 4. [REQUEST FOR INSPECTION.] A person who believes that a violation of this chapter has occurred may request an inspection by giving notice to the commissioner of the violation. The notice must be in writing, set forth with reasonable particularity the grounds for the notice, and be signed by the person. If upon receipt of the notice the commissioner reasonably believes that a violation occurred, the commissioner shall provide the party believed responsible with a copy of the request for investigation, excluding the name of the person who made the request, and notice of intent to investigate. The commissioner shall make a special inspection in accordance with this section as soon as practicable to determine if a violation occurred. An inspection conducted because of a complaint may cover an entire site and is not limited to that portion of the site specified in the notice. If the commissioner determines that there are no reasonable grounds to believe that a violation occurred, the commissioner shall notify the person in writing of that determination.

Subd. 5. [REFUSAL TO PERMIT ENTRY.] Upon the refusal or anticipated refusal, based on a refusal to permit entrance on a prior occasion, of an owner, operator, or agent in charge to permit entry under this chapter, the commissioner may apply for an order in the district court in the county in which a site is located to compel a person with authority to permit the commissioner to enter and inspect the site.

Subd. 6. [EXEMPTIONS FROM SUBPOENA AUTHORITY.] (a) Neither the commissioner nor any employee of the department, including those employees of other approved agencies providing services to the department, is subject to subpoena for purposes of inquiry into any inspection except in enforcement proceedings brought under this chapter.

(b) Once an inspection file is closed by the commissioner, the commissioner shall, upon request from any person, certify as official department records any information contained in a file which is public information.

Subd. 7. [COSTS OF INVESTIGATION.] In addition to any other penalties, the cost of reinspection and reinvestigation may be assessed by the commissioner if the person subject to a corrective action order or remedial action order does not comply with the order in a reasonable time as provided in the order.

Sec. 25. [18B.191] [RESPONSIBILITY FOR COSTS.]

Subdivision 1. [RESPONSIBLE PARTY.] (a) A responsible party is liable for the costs including administrative costs for corrective action under section 18B.15. The commissioner may issue an order for recovery of those costs.

(b) A responsible party is liable for the costs of any destruction of wildlife. Payments of these costs must be deposited in the game and fish fund in the state treasury.

Subd. 2. [AVOIDANCE OF LIABILITY.] (a) A responsible party may not avoid liability by means of a conveyance of any right, title, or interest in real property or by any indemnification, hold harmless agreement, or similar agreement.

(b) This subdivision does not:

(1) prohibit a person who may be liable from entering an agreement by which the person is insured, held harmless, or indemnified for part or all of the liability;

(2) prohibit the enforcement of an insurance, hold harmless, or indemnification agreement; or

(3) bar a cause of action brought by a person who may be liable or by an insurer or guarantor, whether by right of subrogation or otherwise.

Subd. 3. [OWNER OF REAL PROPERTY.] An owner of real property is not a responsible party for an incident on the owner's property unless that owner:

(1) was engaged in manufacturing, formulating, transporting, storing, handling, applying, distributing, or disposing of a pesticide on the property;

(2) knowingly permitted a person to make regular use of the property for disposal of pesticides; or

(3) violated this chapter in a way that contributed to the incident.

Subd. 4. [DEFENSES.] As a defense to a penalty or liability for damages, a person may prove that the violation was caused solely by an act of God, an act of war, or an act or failure to act that constitutes sabotage or vandalism, or any combination of these defenses.

Sec. 26. [18B.192] [APPORTIONMENT AND CONTRIBUTION.]

Subdivision 1. [RIGHT OF APPORTIONMENT; FACTORS.] A responsible party held liable under this chapter may have the trier of fact apportion liability among the responsible parties under this section. The burden is on each responsible party to show how that responsible party's liability should be apportioned. The trier of fact shall reduce the amount of damages in proportion to any amount of liability apportioned to the party recovering.

In apportioning the liability of a party under this section, the trier of fact shall consider the following:

(1) the extent to which that responsible party contributed to the incident;

(2) the amount of pesticide involved;

(3) the degree of toxicity of the pesticide involved;

(4) the degree of involvement of and care exercised by the responsible party in manufacturing, formulating, handling, storing, distributing, transporting, applying, and disposing of the pesticide;

(5) the degree of cooperation by the responsible party with federal, state, or local officials to prevent harm to the public health or the environment; and

(6) knowledge by the responsible party of the hazardous nature of the pesticide.

Subd. 2. [CONTRIBUTION.] If a responsible party is held liable under this chapter and establishes a proportionate share of the aggregate liability, the provisions of section 604.02, subdivisions 1 and 2, apply with respect to contribution and reallocation of any uncollectible amounts, except that an administrative law judge may also perform the functions of a court identified in section 604.02, subdivision 2.

Sec. 27. [18B.193] [ADMINISTRATIVE PENALTIES.]

Subdivision 1. [FACTORS.] In determining the size of the penalty, the commissioner shall give due consideration to the economic benefit gained by the person by allowing or committing the violation, the gravity of the violation in terms of actual or potential damage to the environment, and the violator's culpability, good faith, and history of violations.

Subd. 2. [DOLLAR LIMIT.] The commissioner may by administrative order assess penalties of up to \$5,000 for a violation of this chapter.

Subd. 3. [PAYMENT.] Penalties assessed under this chapter must be paid to the commissioner for deposit in the pesticide regulatory account. If a violator fails to pay a penalty which is part of a final order within 30 days, the commissioner may commence a civil action for double the assessed penalty and attorney fees and costs. A penalty may be recovered in a civil action in the name of the department brought in the district court of the county where the violation is alleged to have occurred or the district court where the commissioner has an office.

Subd. 4. [COMPLIANCE TIME.] The administrative penalty may be assessed if the person subject to a corrective action order or remedial action order does not comply with the order in a reasonable time as provided in the order.

Sec. 28. [18B.194] [LIABILITY FOR APPLICATION ACCORDING TO THE LABEL.]

(a) Notwithstanding other provisions relating to liability for pesticide use, a pesticide end user or landowner is not liable for the cost of active cleanup or damages associated with or resulting from a pesticide in groundwater if the end user or landowner has applied or has had others apply the pesticide in compliance with the label or labeling of the pesticide and other state law and orders of the commissioner.

(b) It is a complete defense to liability that the end user or landowner has complied with the provisions in paragraph (a).

Sec. 29. Minnesota Statutes 1988, section 18B.20, is amended by adding a subdivision to read:

Subd. 7. [EMPLOYER LIABILITY FOR EMPLOYEES.] Structural pest control applicators, commercial applicators, noncommercial applicators, and pesticide dealers are civilly liable for violations of this chapter by their employees and agents.

Sec. 30. [18B.205] [ADMINISTRATIVE COMPLIANCE.]

Subdivision 1. [CONTESTED ORDER.] After being served with an order, a person has at least 45 days from receipt of the order within which to notify the commissioner in writing that the person intends to contest the order. If the person fails to properly notify the commissioner that the person intends to contest the order, the order is a final order of the agency and not subject to review by any court or agency.

Subd. 2. [ADMINISTRATIVE REVIEW.] (a) If a person notifies the commissioner that the person intends to contest an order issued under this chapter, the state office of administrative hearings shall conduct a hearing in accordance with the applicable provisions of chapter 14 for hearings. A hearing shall be conducted at a place designated by the commissioner, within the county where the violation occurred, or where the person contesting the order resides or has a principal place of business or any other place on which all the parties agree.

(b) Notwithstanding any provision of chapter 14, the final administrative law report shall be the final decision of the agency. Only an administrative law judge, under rules adopted by the office of administrative hearings, may entertain an application for reconsideration of a final agency decision.

Subd. 3. [JUDICIAL REVIEW.] (a) The commissioner or any party aggrieved by a final agency decision may seek judicial review of a final agency decision under sections 14.63 to 14.69.

(b) Any additional evidence required by a reviewing court under section 14.67 shall be taken by an administrative law judge. Only an administrative law judge may change the agency decision or any findings contained in it. The administrative law judge shall file with the reviewing court the additional evidence, together with any modifications or new findings or decisions, as provided in section 14.67.

Subd. 4. [EXPENSES.] A prevailing party, including the commis-

sioner, may recover the reasonable and necessary expenses in a contested case or an appeal from a contested case.

Sec. 31. Minnesota Statutes 1988, section 18B.21, is amended to read:

18B.21 [ADMINISTRATIVE ACTION REMEDIES FOR VIOLATIONS.]

Subdivision 1. [ADMINISTRATIVE REMEDIES.] The commissioner may seek to remedy violations of this chapter or the commissioner's orders by (1) a written warning, (2) an administrative meeting, (3) a cease and desist, stop-use, stop-sale, removal, administrative penalty, or other special order, or (4) a seizure, stipulation, or agreement, if the commissioner determines that the remedy is in the public interest.

Subd. 2. [REVOCAION AND SUSPENSION.] The commissioner may, after written notice and hearing, revoke, suspend, or refuse to grant or renew a registration, permit, license, or certification if a person violates a provision of this chapter or has a history, within the last three years, of violations of chapter 18A or 18B.

Subd. 3. [REMEDIAL ACTION ORDERS SERVICE OF ORDER OR NOTICE.] (a) If the commissioner has probable cause that a pesticide, pesticide container, rinsate, pesticide equipment, or device is being used, manufactured, distributed, stored, or disposed of in violation of a provision of this chapter, the commissioner may investigate and issue a written cease and desist, stop-sale, stop-use, or removal order or other remedial action to the owner, custodian, or other responsible party. If the owner, custodian, or other responsible party a person is not available for service of the an order, the commissioner may attach the order to the pesticide, pesticide container, rinsate, pesticide equipment, or device or facility and notify the owner, custodian, other responsible party, or the registrant. The pesticide, pesticide container, rinsate, pesticide equipment, or device may not be sold, used, or removed until the violation has been corrected and the pesticide, pesticide container, rinsate, pesticide equipment, or device has been released in writing under conditions specified by the commissioner, or until the violation has been otherwise disposed of by an administrative, law judge, or a court.

(b) If a violation of a provision of this chapter results in conditions that may have an unreasonable adverse effect on humans, domestic animals, wildlife, or the environment, the commissioner may, by order, require remedial action, including removal and proper disposal.

Sec. 32. Minnesota Statutes 1988, section 18B.26, subdivision 1, is amended to read:

Subdivision 1. [REQUIREMENT.] (a) A person may not use or distribute a pesticide in this state unless it is registered with the commissioner. Pesticide registrations expire on December 31 of each year and may be renewed on or before that date for the following calendar year.

(b) Registration is not required if a pesticide is shipped from one plant or warehouse to another plant or warehouse operated by the same person and used solely at the plant or warehouse as an ingredient in the formulation of a pesticide that is registered under this chapter.

(c) An unregistered pesticide that was previously registered with the commissioner may be used only with the written permission of the commissioner.

(d) Each pesticide with a unique EPA registration number or brand name must be registered with the commissioner.

Sec. 33. Minnesota Statutes 1988, section 18B.26, subdivision 5, is amended to read:

Subd. 5. [APPLICATION REVIEW AND REGISTRATION.] (a) The commissioner may not deny the registration of a pesticide because the commissioner determines the pesticide is not essential.

(b) The commissioner shall review each application and may approve, deny, or cancel the registration of any pesticide. The commissioner may impose state use or distribution restrictions on a pesticide as part of the registration to prevent unreasonable adverse effects on the environment.

(c) The commissioner must notify the applicant of the approval, denial, cancellation, or state use or distribution restrictions ~~within~~ 30 days after the application and fee are received.

(d) The applicant may request a hearing on any adverse action of the commissioner within 30 days after being notified by the commissioner.

Sec. 34. Minnesota Statutes 1988, section 18B.26, is amended by adding a subdivision to read:

Subd. 6. [WITHDRAWAL.] A person who intends to discontinue a pesticide registration must do one of the following to ensure complete withdrawal from distribution or further use of the pesticide:

(1) terminate a further distribution within the state and continue to register the pesticide annually for two successive years;

(2) initiate and complete a total recall of the pesticide from all distribution in the state within 60 days from the date of notification to the commissioner of intent to discontinue registration; or

(3) submit to the commissioner evidence adequate to document that no distribution of the registered pesticide has occurred in the state.

Sec. 35. [18B.281] [PESTICIDE EDUCATION AND TRAINING.]

Subdivision 1. [EDUCATION AND TRAINING.] The commissioner shall develop, in conjunction with the University of Minnesota extension service, unique and innovative educational and training programs addressing pesticide concerns including, but not limited to: (1) water quality protection; (2) endangered species; (3) pesticide residues in food and water; (4) worker protection; (5) chronic toxicity; (6) integrated pest management; and (7) pesticide disposal. Educational planning session committees must include representatives of industry and of the commissioner. Specific current regulatory concerns must be discussed and, where appropriate, incorporated into each training session. These training materials must be used as a parameter for all educational programs affected by any organization.

Subd. 2. [TRAINING MANUAL AND EXAMINATION DEVELOPMENT.] The commissioner, in conjunction with the University of Minnesota extension service, shall continually revise and update pesticide applicator training manuals and examinations. The manuals and examinations must be written to meet or exceed the minimum standards required by the United States Environmental Protection Agency and pertinent state-specific information. Questions in the examinations must be determined by the responsible agencies. Manuals and examinations must include pesticide management practices that discuss prevention of pesticide occurrence in groundwaters of the state.

Subd. 3. [PESTICIDE APPLICATOR EDUCATION AND EXAMINATION REVIEW BOARD.] The commissioner shall establish and chair a pesticide applicator education and examination review board. This board shall meet at least once a year before the initiation of pesticide educational planning programs. The purpose of this board is to discuss topics of current concern that can be incorporated into pesticide applicator training sessions and appropriate examinations. This board shall review and evaluate the various educational programs recently conducted and recommend options to increase overall effectiveness. Membership on this board must represent industry, private, nonprofit organizations, and other governmental agencies, including the University of Minnesota, the pollution control agency, and the departments of health, natural resources, and transportation.

Sec. 36. Minnesota Statutes 1988, section 18B.31, subdivision 3, is amended to read:

Subd. 3. [LICENSE.] A pesticide dealer license:

(1) expires on December 31 of each year unless it is suspended or revoked before that date; and

(2) is not transferable to another person- or location; and

(3) must be prominently displayed to the public in the pesticide dealer's place of business.

Sec. 37. Minnesota Statutes 1988, section 18B.32, subdivision 2, is amended to read:

Subd. 2. [LICENSES.] (a) A structural pest control license:

(1) expires on December 31 of the year for which the license is issued; and

(2) is not transferable; and

(3) must be prominently displayed to the public in the structural pest controller's place of business.

(b) The commissioner shall establish categories of master, journeyman, and fumigator for a person to be licensed under a structural pest control license.

Sec. 38. Minnesota Statutes 1988, section 18B.33, subdivision 1, is amended to read:

Subdivision 1. [REQUIREMENT.] (a) A person may not apply a pesticide for hire without a commercial applicator license for the appropriate use categories except a licensed structural pest control applicator.

(b) A person with a commercial applicator license may not apply pesticides on or into surface waters without an aquatic category endorsement on a commercial applicator license.

(c) A commercial applicator licensee must have a valid license identification card when applying pesticides for hire and must display it upon demand by an authorized representative of the commissioner or a law enforcement officer. The commissioner shall prescribe the information required on the license identification card.

Sec. 39. Minnesota Statutes 1988, section 18B.33, subdivision 3, is amended to read:

Subd. 3. [LICENSE.] A commercial applicator license:

(1) expires on December 31 of the year for which it is issued, unless suspended or revoked before that date; and

(2) is not transferable to another person; and

(3) must be prominently displayed to the public in the commercial applicator's place of business.

Sec. 40. Minnesota Statutes 1988, section 18B.33, subdivision 7, is amended to read:

Subd. 7. [APPLICATION FEES.] (a) A person initially applying for or renewing a commercial applicator license as a ~~business entity~~ must pay a nonrefundable application fee of \$50; ~~except a person who is an employee of a business entity that has a commercial applicator license and is applying for or renewing a commercial applicator license as an individual the nonrefundable application fee is \$25.~~

(b) If a renewal application is not filed before March 1 of the year for which the license is to be issued, an additional penalty fee of \$10 must be paid before the commercial applicator license may be issued.

Sec. 41. Minnesota Statutes 1988, section 18B.34, subdivision 1, is amended to read:

Subdivision 1. [REQUIREMENT.] (a) Except for a licensed commercial applicator, certified private applicator, or licensed structural pest control applicator, a person, including a government employee, may not use a restricted use pesticide in performance of official duties without having a noncommercial applicator license for an appropriate use category.

(b) ~~A person with~~ A licensed noncommercial applicator license may not apply pesticides into or on surface waters without an aquatic category endorsement on the license.

(c) A licensee must have a valid license identification card when applying pesticides and must display it upon demand by an authorized representative of the commissioner or a law enforcement officer. The license identification card must contain information required by the commissioner.

Sec. 42. Minnesota Statutes 1988, section 18B.34, subdivision 2, is amended to read:

Subd. 2. [LICENSE.] A noncommercial applicator license:

(1) expires on December 31 of the year for which it is issued unless suspended or revoked before that date; and

(2) is not transferable; and

(3) must be prominently displayed to the public in the noncommercial applicator's place of business.

Sec. 43. Minnesota Statutes 1988, section 18B.34, subdivision 5, is amended to read:

Subd. 5. [FEES.] (a) A person initially applying for or renewing a noncommercial applicator license as a business entity must pay a nonrefundable application fee of \$50. ~~A person who is an employee of a business entity that has a noncommercial applicator license and is applying for or renewing a noncommercial applicator license as an individual must pay a nonrefundable application fee of \$25, except an applicant who is a government employee who uses pesticides in the course of performing official duties must pay a nonrefundable application fee of \$10.~~

(b) If an application for renewal of a noncommercial license is not filed before March 1 in the year for which the license is to be issued, an additional penalty fee of \$10 must be paid before the renewal license may be issued.

Sec. 44. Minnesota Statutes 1988, section 18B.36, is amended to read:

18B.36 [PRIVATE APPLICATOR CERTIFICATION.]

Subdivision 1. [REQUIREMENT.] (a) Except for a licensed commercial or noncommercial applicator, only a person certified as a private applicator may use or supervise the use of a restricted use pesticide to produce an agricultural commodity:

(1) as a traditional exchange of services without financial compensation; or

(2) on a site owned, rented, or managed by the person or the person's employees.

(b) A private applicator may not purchase a restricted use pesticide without presenting a private applicator card or the card number.

Subd. 2. [CERTIFICATION.] (a) The commissioner shall prescribe certification requirements and provide training that meets or ex-

ceeds EPA standards to certify persons as private applicators and provide information relating to changing technology to help ensure a continuing level of competency and ability to use pesticides properly and safely. The training may be done through cooperation with other government agencies and must be a minimum of three hours in duration.

(b) A person must apply to the commissioner for certification as a private applicator. After completing the certification requirements, which must include an examination as determined by the commissioner, an applicant must be certified as a private applicator to use restricted use pesticides. The certification is for a period of five three years from the applicant's nearest birthday.

(c) The commissioner shall issue a private applicator card to a private applicator.

Subd. 3. [FEES.] (a) A person applying to be certified as a private applicator must pay a nonrefundable \$10 application fee for the certification period.

(b) A \$5 fee must be paid for the issuance of a duplicate private applicator card.

Sec. 45. Minnesota Statutes 1988, section 18B.37, subdivision 1, is amended to read:

Subdivision 1. [PESTICIDE DEALER.] (a) A pesticide dealer must maintain records of all sales of restricted use pesticides as required by the commissioner. Records must be kept at the time of the sale on forms supplied by the commissioner or on the pesticide dealer's forms if they those forms are approved by the commissioner.

(b) Records must be submitted annually with the renewal application for a pesticide dealer license or upon request of the commissioner.

(c) Copies of records required under this subdivision must be maintained by the pesticide dealer for a period of five years after the date of the pesticide sale.

Sec. 46. Minnesota Statutes 1988, section 18B.37, subdivision 2, is amended to read:

Subd. 2. [COMMERCIAL AND NONCOMMERCIAL APPLICATORS.] (a) A commercial ~~or noncommercial~~ applicator, or the applicator's authorized agent, must shall maintain a record of pesticides used on each site. A noncommercial applicator, or the applicator's authorized agent, shall maintain a record of restricted use pesticides used on each site. The record must include the:

- (1) date of the pesticide use;
- (2) time the pesticide application was completed;
- (3) brand name of the pesticide, EPA registration number, and dosage used;
- (4) number of units treated;
- (5) temperature, wind speed, and wind direction;
- (6) location of the site where the pesticide was applied;
- (7) name and address of the customer;
- (8) name and signature of the applicator, company name, license number of the applicator, and address, and signature of the applicator or company; and
- (9) any other information required by the commissioner.

(b) Portions of records not relevant to a specific type of application may be omitted upon approval from the commissioner.

(c) All information for this record requirement must be contained in a single page document for each pesticide application, except a map may be attached to identify treated areas. For the rights-of-way and wood preservative categories, the required record may not exceed five pages. Invoices An invoice containing the required information may constitute the required record.

(d) A commercial applicator must give a copy of the record to the customer when the application is completed.

(e) Records must be retained by the applicator, company, or authorized agent for five years after the date of treatment.

Sec. 47. Minnesota Statutes 1988, section 18B.37, subdivision 3, is amended to read:

Subd. 3. [STRUCTURAL PEST CONTROL APPLICATORS.] (a) A structural pest control applicator must maintain a record of each structural pest control application conducted by that person or by the person's employees. The record must include the:

- (1) date of structural pest control application;
- (2) target pest;

(3) brand name of the pesticide, EPA registration number, and amount of pesticide used;

(4) for fumigation, the temperature and exposure time;

(5) time the pesticide application was completed;

(6) name and address of the customer;

~~(6)~~ (7) structural pest control applicator's company name and address, applicator's signature, and license number; and

~~(7)~~ (8) any other information required by the commissioner.

(b) Invoices All information for this record requirement must be contained in a single page document for each pesticide application. An invoice containing the required information may constitute the record.

(c) Records must be retained for five years after the date of treatment.

(d) A copy of the record must be given to a person who ordered the application that is present at the site where the structural pest control application is conducted, placed in a conspicuous location at the site where the structural pest control application is conducted immediately after the application of the pesticides, or delivered to the person who ordered an application or the owner of the site.

Sec. 48. Minnesota Statutes 1988, section 18B.37, subdivision 4, is amended to read:

Subd. 4. [STORAGE, HANDLING, AND DISPOSAL PLAN.] A commercial, noncommercial, or structural pest control applicator or the ~~licensed~~ business that the applicator is employed by must develop and maintain a plan that describes its pesticide storage, handling, and disposal practices. The plan must be kept at a principal business site or location within this state and must be submitted to the commissioner upon request on forms provided by the commissioner. The plan must be available for inspection by the commissioner.

Sec. 49. [18B.41] [PESTICIDE MANAGEMENT PLAN.]

Subdivision 1. [PLAN SPECIFICATIONS.] The commissioner shall develop a pesticide management plan for the prevention, evaluation, and mitigation of occurrences of pesticides or pesticide breakdown products in groundwaters and surface waters of the state. The pesticide management plan must include components promoting prevention, developing appropriate responses to the

detection of pesticides or pesticide breakdown products in groundwater and surface waters, and providing responses to reduce or eliminate continued pesticide movement to groundwater and surface water as outlined in subdivisions 3 to 8.

The pesticide management plan shall be coordinated and developed with other state agency plans and with other state agencies through the environmental quality board. In addition, the University of Minnesota extension service, farm organizations, farmers, environmental organizations, and industry shall be involved in the pesticide management plan development.

Subd. 2. [DEFINITIONS.] The definitions in this subdivision apply to this section.

(a) "Pesticide" means a pesticide active ingredient as defined in section 18B.01, subdivision 18, or the breakdown product or metabolite of the pesticide active ingredient.

(b) "Specific management plan" means a plan applied to a pesticide and may be specific to a pesticide-sensitive groundwater protection area that incorporates voluntary chemical and nonchemical activities, procedures, and practices or pesticide use restrictions established by the department of agriculture in consultation with the University of Minnesota agricultural extension service due to determination of common detection of a pesticide in groundwater.

(c) "Nonpoint source" means the presence of a pesticide in groundwater or surface water from normal registered use of a pesticide.

(d) "Pesticide-sensitive groundwater protection areas" means a geographically definable area with characteristics of susceptibility to pesticide migration to groundwater and containing criteria as stipulated in article 1, section 5, subdivision 2.

(e) "Best management practices" means practices as defined in article 1, section 2, subdivision 2.

(f) "Water resources protection measures" has the meaning given it in article 1, section 2, subdivision 5.

(g) "Monitoring" means a program designed for the collection of data, through a network of groundwater quality sampling stations or surface water sampling points, for scientific inquiry and statistically significant analysis.

Subd. 3. [PESTICIDE-SENSITIVE GROUNDWATER PROTECTION AREAS.] The commissioner shall designate pesticide-sensitive groundwater protection areas based on criteria established in article 1, section 7, subdivision 3, and may involve cooperation with

the department of natural resources, the pollution control agency, the University of Minnesota, and other pertinent local, state, or federal agencies. Pesticide-sensitive groundwater protection areas must be based on factors associated with susceptibility of groundwater to the leaching or direct movement of pesticides to the groundwater.

Upon designation of pesticide-sensitive groundwater protection areas the commissioner shall conduct an assessment of the likelihood of certain pesticides to migrate to groundwater. Determination of pesticide mobility must be based on the best currently available data and may involve pesticide registrants data and state and federal data bases. Mobile pesticide determination must include pesticide use, physiochemical properties, and previous groundwater detection information.

The commissioner shall increase regulatory efforts in pesticide-sensitive groundwater protection areas, provide additional and increased pesticide educational and training activities for prevention of movement of pesticides to water resources.

Subd. 4. [PESTICIDE USE INFORMATION.] The commissioner shall monitor urban and rural pesticide use on a biennial basis. Information shall be collected and automated consistent with section 116C.41, subdivision 1.

Subd. 5. [BEST MANAGEMENT PRACTICES.] The commissioner shall promote best management practices that minimize the potential for pesticide movement to water resources throughout the state. Within a pesticide-sensitive groundwater protection area the commissioner shall promote additional appropriate best management practices and may consult with representatives of farmers, local and state agencies, the University of Minnesota, federal agencies, and the pesticide industry. The best management practices for agricultural and urban pesticide use must be practical and appropriate for implementation in the pesticide-sensitive groundwater protection areas. In addition to agronomic and horticultural best management practices, increased and expanded pesticide educational programs for counties with designated pesticide groundwater protection areas shall be provided in cooperation with the Minnesota extension service.

Subd. 6. [EVALUATION OF DETECTION.] The commissioner shall evaluate the detection of pesticides in groundwaters of the state to determine the probable source and possible courses of action. Evaluation of the detection of the presence of a pesticide may include, but is not limited to, the following items:

(1) the methods of sample collection, handling, and confirmation mechanisms;

(2) the adherence of the reporting laboratory to good laboratory practices;

(3) the adequacy of the quality control and quality assurance programs;

(4) the physiochemical properties of the pesticide and their relationship, if any, to the detection;

(5) the general climatological, geographical, and hydrogeological factors that may impact the detection of the pesticide;

(6) the relationship of the concentration detected to the health based standard;

(7) the information available of the construction of the well from which the sample was obtained;

(8) the information available on pesticide use in the area;

(9) other potential pesticide sources; and

(10) the adherence to label directions, including precautions on the pesticide product label.

If conditions indicate a likelihood that the detection of the pesticide to be a result of normal registered use, the commissioner shall evaluate the need for increased promotion of best management practices and water resources protection measures to mitigate potential nonpoint source impact. Monitoring and subsequent evaluation shall occur on an as needed basis to determine if the pesticide is commonly detected and the potential nonpoint impacts of the pesticide in similar conditions.

Subd. 7. [SPECIFIC PESTICIDE MANAGEMENT PLAN.] The commissioner shall develop a specific pesticide management plan for a pesticide if the pesticide has been determined to be commonly detected in groundwater as a result of normal registered use following evaluation by the commissioner. Each specific pesticide management plan must be designed to minimize movement to groundwater through a series of efforts such as increased educational activities, increased training and certification, and increased enforcement activities.

The commissioner shall develop and implement a focused groundwater monitoring and hydrogeologic evaluation following common pesticide detection to evaluate contamination frequency and concentration trend. Assessment of the site-specific and pesticide-specific conditions and the likelihood of common detection must include monitoring, pesticide use information, physical and chemical prop-

erties of the pesticide hydrogeologic information and review of information, and data from other local, state, or federal monitoring data bases.

The specific pesticide management plan must be developed following evaluation, increased monitoring efforts, and site-specific and pesticide-specific information. The specific management plan must include best management practices and water resources protection measures and pesticide use restrictions commensurate with applicable information obtained by the commissioner, the severity of the groundwater contamination and the trend assessment. The specific pesticide management plan must involve the registrant and be coordinated with the department of natural resources, the pollution control agency, the University of Minnesota agricultural extension service, the Minnesota environmental education board, the environmental quality board, the state planning agency, the department of health, the board of water and soil resources, and may include consultation with appropriate federal agencies, local governmental units, farm organizations, and the pesticide industry. The specific pesticide management plan shall be updated at no more than two-year intervals.

Subd. 8. [ACTIONS TO COMMON DETECTIONS WITH CONCENTRATIONS OR TRENDS GREATER THAN HEALTH LIMITS.] The commissioner shall impose additional use restrictions, or label modifications or cancel a pesticide use when:

(1) common detections of pesticides exceed previous or newly established limits as described in article 1, section 5 or, where applicable, state drinking water standards; or

(2) if trend analysis indicates that common detections will exceed limits as described in article 1, section 5 or, where applicable, state drinking water standards notwithstanding implementation of best management practices and water resources protection measures or previous use restrictions.

Restrictions may include limitations on product purpose, rate, time of application, frequency of application, method of application, application to soil types or crops, or geographic area of application. Restrictions may be altered based on continued trend analysis of common pesticide detections.

Subd. 9. [RULES.] The commissioner shall adopt permanent rules necessary to implement this section. The rules must contain at a minimum:

(1) an education and information plan to promote pesticide best management practices and water resources protection measures in pesticide-sensitive groundwater protection areas;

(2) investigation and monitoring procedures to assess unusual pesticide detections in groundwater;

(3) procedures to implement best management practices and water resources protection measures, increased monitoring, and trend evaluation following the common detection of pesticides; and

(4) regulatory actions to be taken if trend analysis or common detections indicate exceedance of limits as described in article 1, section 5 or, where appropriate, state drinking water standards.

Sec. 50. [PESTICIDE CONTAINER COLLECTION AND RECYCLING PILOT PROJECT.]

Subdivision 1. [PESTICIDE; DEFINITION.] For the purposes of this section, "pesticide" means a substance or mixture of substances intended to prevent, destroy, repel, or mitigate a pest, and a substance or mixture of substances intended for use as a plant regulator, defoliant, or desiccant.

Subd. 2. [PROJECT.] The department of agriculture, in consultation and cooperation with the commissioner of the pollution control agency and the director of the Minnesota extension service, shall design and implement a pilot collection project, to be completed by June 30, 1991, to:

(1) collect, recycle, and dispose of empty, triple-rinsed pesticide containers;

(2) develop, demonstrate, and promote proper pesticide container management; and

(3) evaluate the current pesticide container management methods and the cause and extent of the problems associated with pesticide containers.

Subd. 3. [COLLECTION AND DISPOSAL.] The department of agriculture shall provide for the establishment and operation of temporary collection sites for pesticide containers. The department may limit the type and quantity of pesticide containers acceptable for collection.

Subd. 4. [INFORMATION AND EDUCATION.] The department shall develop informational and educational materials, in consultation and cooperation with the Minnesota extension service, to promote proper methods of pesticide container management.

Subd. 5. [REPORT.] During the pilot project, the department of agriculture shall conduct surveys and collect information on proper and improper pesticide container storage and disposal. By Novem-

ber 30, 1991, the department shall report to the legislature its conclusions from the project and recommendations for additional legislation or rules governing management of pesticide containers.

Subd. 6. [MANAGEMENT AND DISPOSAL.] The department of agriculture or other entity collecting pesticide containers must manage and dispose of the containers in compliance with applicable federal and state requirements.

Sec. 51. [REVISOR'S INSTRUCTION.]

In the next and subsequent editions of Minnesota Statutes, the sections in column A shall be renumbered as the sections in column B.

<u>Column A</u>	<u>Column B</u>
<u>18A.49</u>	<u>18B.40</u>
<u>18B.08</u>	<u>18B.285</u>
<u>18B.15</u>	<u>18B.19</u>
<u>18B.18</u>	<u>18B.15</u>
<u>18B.20</u>	<u>18B.21</u>
<u>18B.21</u>	<u>18B.18</u>
<u>18B.22</u>	<u>18B.20</u>

Cross-references to these sections within Minnesota Statutes must also be corrected.

Sec. 52. [COMPLEMENT ADJUSTMENT.]

The complement for the department of agriculture is reduced by four positions in the fertilizer and pesticide management programs for special revenue funds under articles 2 and 3 of this act.

Sec. 53. [REPEALER.]

Minnesota Statutes 1988, sections 18B.16; 18B.19; 18B.20, subdivision 6, are repealed.

ARTICLE 4

WASTE PESTICIDE COLLECTION

Section 1. [115.84] [DEFINITIONS.]

Subdivision 1. [COLLECTION SITE.] "Collection site" means a permanent or temporary designated location with scheduled hours for collection where pesticide end users may bring their waste pesticides.

Subd. 2. [LOCAL UNIT OF GOVERNMENT.] "Local unit of

government” means a statutory or home rule charter city, town, county, soil and water conservation district, watershed district, any other special purpose district, and local or regional board.

Subd. 3. [PESTICIDE.] “Pesticide” means a substance or mixture of substances intended to prevent, destroy, repel, or mitigate a pest, and a substance, mixture, or substances intended for use as a plant regulator, defoliant, or desiccant.

Subd. 4. [PESTICIDE END USER.] “Pesticide end user” means a farmer or other person who owns a pesticide. Pesticide end user does not include the manufacturer, formulator, or packager.

Subd. 5. [WASTE PESTICIDE.] “Waste pesticide” means a pesticide that the pesticide end user considers a waste. A waste pesticide can be a canceled pesticide, an unusable pesticide, or a usable pesticide.

Sec. 2. [115.84] [WASTE PESTICIDE COLLECTION PROGRAM.]

Subdivision 1. [COLLECTION AND DISPOSAL.] The agency may establish and operate a program to collect and dispose of waste pesticides. The program shall be made available to pesticide end users whose waste generating activity occurs in the state of Minnesota.

Subd. 2. [IMPLEMENTATION.] In conducting the program the agency will comply with all applicable federal and state laws. The agency may obtain a United States Environmental Protection Agency hazardous waste identification number to manage the waste pesticides collected. The agency may limit the type and quantity of waste pesticides accepted for collection and may assess pesticide end users for portions of the costs incurred.

Subd. 3. [INFORMATION AND EDUCATION.] The agency may provide informational and educational materials in consultation and cooperation with the Minnesota extension service regarding waste pesticides and the proper management of waste pesticides to the public.

Subd. 4. [DEPARTMENT OF AGRICULTURE.] The agency shall develop the program in this section in consultation and cooperation with the commissioner of agriculture.

Subd. 5. [AUTHORITY.] The agency may adopt rules to administer this section.

Subd. 6. [COOPERATIVE AGREEMENTS.] The agency may

enter into cooperative agreements with state and local units of government for administration of the collection program.

ARTICLE 5

WATER SUPPLY MONITORING AND PROTECTION

Section 1. Minnesota Statutes 1988, section 156A.01, is amended to read:

156A.01 [LEGISLATIVE INTENT.]

It is ~~The~~ legislative intent and purpose ~~in~~ of sections 156A.01 to ~~156A.08~~ 156A.09 is to reduce and minimize the waste of ~~ground water~~ groundwater resources within this state by reasonable legislation in licensing of drillers or makers of water wells and the regulation of exploratory borings in Minnesota ~~and to~~. Sections 156A.01 to 156A.09 are also intended to protect the health and general welfare by providing a means for the development and protection of the natural resource of underground water in an orderly, sanitary and reasonable manner. ~~In furtherance of the above intents and purposes,~~ To carry out the intent of sections 156A.01 to 156A.09 and in recognition of the effects of that exploration and mining of metallic minerals have on groundwater resources, the legislature finds that it is necessary to require submission to the state of factual data generated by exploratory borings to ~~the state, for the purpose of controlling:~~ (1) control possible adverse environmental effects of mining; ~~to;~~ (2) preserve the natural resources; ~~and to;~~ (3) encourage the planning of future land utilization; ~~while at the same time promoting;~~ (4) promote the orderly development of mining; ~~the encouragement of;~~ (5) encourage good mining practices; and ~~the recognition~~ (6) recognize and ~~identification of~~ identify the beneficial aspects of mining.

Sec. 2. Minnesota Statutes 1988, section 156A.02, is amended to read:

156A.02 [DEFINITIONS; EXCLUSIONS.]

Subdivision 1. For the purposes of sections 156A.01 to ~~156A.08~~ 156A.09, the following terms have the meanings given them in this section.

Subd. 1a. [WATER WELL.] "Water well" means any excavation that is drilled, cored, bored, washed, driven, dug, jetted, or otherwise constructed when the intended use of the same excavation is intended for the location, diversion, artificial recharge, or acquisition extraction of groundwater; provided, however, that the term. Water well includes monitoring well as defined in subdivision 13. Water well does not include excavation by backhoe, or otherwise for

temporary dewatering of groundwater for nonpotable use during construction, where the depth thereof of the excavation is 25 feet or less; nor shall does it include an excavation other than exploratory boring made for the purpose of obtaining to obtain or prospecting prospect for oil, natural gas, minerals, or products of mining or quarrying, or for the inserting excavation to insert media to repressure oil or natural gas bearing formations or for storing to store petroleum, natural gas, or other products; nor an excavation for nonpotable use for wildfire suppression activities.

Subd. 2. [WATER WELL CONTRACTOR OR CONTRACTOR.] For the purposes of sections 156A.01 to 156A.08, "Water well contractor" and "contractor" means any person, firm, copartnership partnership, association or corporation, who shall construct constructs, abandon, or repair repairs, or seals a water well or seals a water well upon land other than its own for compensation.

Subd. 2a. [WATER WELL DRILLING MACHINE.] "Water well drilling machine" means any machine or device such as a cable tool, rotary, hollow rod, or auger; used for construction, abandonment, or repair, or sealing of a water well or a hole excavated for an elevator or a hydraulic cylinder.

Subd. 3. Sections 156A.01 to 156A.08 shall not require licensing of (1) an individual who drills a water well on land which is owned or leased by the individual and is used by the individual for farming or agricultural purposes or as the individual's place of abode, or (2) to an individual who performs labor or services for a water well contractor in connection with the drilling, abandonment, or repair of a water well at the direction and at the personal supervision of a licensed water well contractor; provided, however, that the individual shall comply with all other provisions of sections 156A.01 to 156A.08 and with any rule or well code adopted thereunder.

Subd. 4. [EXPLORER.] For the purposes of sections 156A.01 to 156A.08 "Explorer" means a person who has the right to drill any exploratory boring.

Subd. 5. [EXPLORATORY BORING.] For the purposes of sections 156A.01 to 156A.08 "Exploratory boring" means any surface drilling done for the purpose of exploring to explore or prospecting prospect for oil, natural gas, and metallic minerals, including but not limited to the following: iron, copper, zinc, lead, gold, silver, titanium, vanadium, nickel, cadmium, molybdenum, chromium, manganese, cobalt, zirconium, beryllium, thorium, uranium, aluminum, platinum, palladium, radium, tantalum, tin, and niobium. "Exploratory boring" does not include drilling done in the Biwabik iron formation in relation to natural iron ore or activities regulated pursuant according to section 298.48.

Subd. 6. [GROUNDWATER THERMAL EXCHANGE DEVICE.]

For the purposes of sections 156A.02 to 156A.10 "Groundwater thermal exchange device" means any heating or cooling device, the operation of which is dependent upon extraction and reinjection of groundwaters from an independent aquifer. Thermal exchange devices licensed under this chapter shall be sealed against the introduction of any foreign substance into the system, but shall be so constructed as to permit periodic inspection of water quality and temperature.

Subd. 7. [VERTICAL HEAT EXCHANGER.] For the purposes of sections 156A.02 to 156A.11 "Vertical heat exchanger" means any earth-coupled heating or cooling device consisting of a sealed piping system installed vertically in the ground for the purpose of transferring to transfer heat to or from the surrounding earth.

Subd. 8. [ELEVATOR SHAFT.] "Elevator shaft" means any bore hole, jack hole, drilled hole, or excavation constructed to install an elevator shaft or hydraulic cylinder for elevators.

Subd. 9. [ELEVATOR SHAFT CONTRACTOR.] "Elevator shaft contractor" means a person, firm, partnership, or corporation licensed by the commissioner to drill or excavate holes to install elevator shafts and hydraulic cylinders.

Subd. 10. [ENVIRONMENTAL BORE HOLE.] "Environmental bore hole" means a hole drilled, cored, bored, washed, driven, dug, or jetted in the ground used to monitor chemical, radiological or biological contaminants. An environmental bore hole does not include any other well, boring, or other excavation as defined in this chapter.

Subd. 11. [MONITORING WELL.] "Monitoring well" means any excavation that is drilled, cored, bored, washed, driven, dug, jetted, or otherwise constructed for the purpose of extracting groundwater for physical, chemical, or biological testing. Monitoring well includes water wells installed to measure groundwater levels or to test hydrologic properties in an area being investigated for potential or existing groundwater contamination.

Subd. 12. [MONITORING WELL CONTRACTOR.] "Monitoring well contractor" means a person who is registered by the department to construct monitoring wells and who is a professional engineer registered according to sections 326.02 to 326.15 in the branches of civil or geological engineering, or a geologist or hydrogeologist certified by the American Institute of Professional Geologists, the American Institute of Hydrologists, the National Water Well Association, or other organizations approved by the commissioner.

Subd. 13. [WELLHEAD PROTECTION AREA.] "Wellhead protection area" means the surface and subsurface area surrounding a

water well or well field that supplies a public water system, through which contaminants are likely to move toward and reach the water well or well field.

Sec. 3. Minnesota Statutes 1988, section 156A.03, is amended to read:

156A.03 [REGULATION AND LICENSING.]

Subdivision 1. [COMMISSIONER OF HEALTH REGULATES WATER WELL AND MONITORING WELL WORK AND EXCAVATION FOR ELEVATOR SHAFTS AND HYDRAULIC CYLINDERS.] The state commissioner of health shall regulate and license the: (1) drilling and, constructing, and repair of all water wells within this state; (2) sealing of unused wells; (3) installing of water well pumps and pumping equipment; (4) excavating or drilling holes for the installation of elevator shafts and hydraulic cylinders for elevators and sealing of holes excavated for the installation of elevator shafts and hydraulic cylinders for elevators; and (5) installing and sealing environmental bore holes. The commissioner of health shall examine and license water well contractors and, limited water well contractors, and elevator shaft contractors and shall examine and register monitoring well contractors. The commissioner of health shall establish standards for installing and sealing environmental bore holes. After consultation with the commissioner of natural resources and the pollution control agency, the commissioner shall establish standards for the design, location, construction, abandonment, and repair and sealing of water wells within this state. As provided in section 156A.071, the commissioner shall license explorers engaged in exploratory boring and shall examine individuals who supervise or oversee exploratory boring.

Subd. 2. [WATER WELL CONTRACTORS MUST BE LICENSED.] No contractor person shall drill, construct, abandon, or repair a water well within this state unless in possession of a valid license to do so issued annually by the state commissioner of health. An applicant who is otherwise qualified but who does not have practical field experience in the operation of conventional drilling machines such as a cable tool, rotary, hollow rod, or auger, but who does install unconventional wells such as drive point, or who is in the well repair service which involves modification to the well casing, screen, depth, or diameter below the upper termination of the well casing, shall have the license limited to such water well contracting work.

A person who desires to drill, construct, repair, or seal one or more wells in this state must apply to the commissioner of health for a water well contractor's license. In the application, the person must set out qualifications for the license, the equipment the person will use in the contracting, and other information required by the commissioner. The application must be on forms prescribed by the

commissioner. The commissioner shall charge a fee of \$50 according to section 144.122 for the filing of the application by any person. The commissioner shall not act upon any application until the fee has been paid. When the commissioner has approved the application, the applicant shall take an examination given by the commissioner.

Subd. 2a. [LIMITED LICENSES REQUIRED FOR CERTAIN WORK.] (a) A limited water well contractor, as defined in section 156A.02, subdivision 12, may obtain a license limited to the following work:

(1) modifying or repairing well casings, well screens, or well diameters;

(2) constructing unconventional wells such as drive points or dug wells;

(3) sealing wells; or

(4) installing water well pumps or pumping equipment; or

(5) excavating holes to install elevator shafts or hydraulic cylinders for elevators.

(b) No person shall perform the work described in this subdivision, within this state, unless the individual possesses a valid license issued annually by the commissioner of health. A person performing the work under this section must apply to the commissioner for a license. In the application, the person must set out qualifications for the license, the equipment the person will use in the contracting, and other information required by the commissioner. The application must be on forms prescribed by the commissioner. The commissioner shall charge a fee of \$50 for the filing of the application. The commissioner shall not act upon an application until the fee has been paid. When the commissioner has approved the application, the applicant shall take an examination given by the commissioner.

Subd. 3. [MONITORING WELL CONTRACTORS MUST BE REGISTERED.] A professional engineer registered pursuant to the provisions of sections 326.02 to 326.15, in the branches of civil or geological engineering, shall not be required to be licensed as a water well contractor under the provisions of this section to drill test borings or to install piezometer wells for engineering purposes, or to construct groundwater quality sampling and monitoring wells as defined in rules promulgated by the commissioner. Test holes, piezometer wells installed for engineering purposes, and other wells described by this subdivision, shall be constructed, maintained and abandoned in accordance with this chapter and the rules promulgated thereunder.

Any A professional engineer or other certified professional engaged in the practice of constructing groundwater quality sampling and sealing monitoring wells as described in this subdivision section 156A.02, subdivision 11, and environmental bore holes as described in section 156A.02, subdivision 10, shall register with the commissioner on forms provided by the commissioner. A monitoring well contractor shall not be required to be licensed as a water well contractor.

After December 31, 1990, a person seeking initial registration as a monitoring well contractor under this subdivision must meet examination and experience requirements that the commissioner establishes in rule.

Subd. 4. [EXEMPTIONS FROM LICENSING REQUIREMENTS.] (a) Sections 156A.01 to 156A.09 do not require licensing of (1) an individual who drills a water well on land that is owned or leased by the individual and is used by the individual for farming or agricultural purposes or as the individual's place of abode, or (2) an individual who performs labor or services for a water well contractor in connection with the drilling, repair, or sealing of a water well at the direction and at the personal supervision of a licensed water well contractor. An individual exempt under this subdivision must comply with sections 156A.01 to 156A.09 and with any rule adopted under those sections.

(b) Test holes, piezometer wells installed for engineering purposes, and other wells described by this subdivision, shall be constructed, maintained, and sealed according to sections 156A.01 to 156A.09, and the rules adopted under those sections.

Subd. 5. [BONDING REQUIREMENTS.] As a condition of licensing water well contractors, limited water well contractors or registering monitoring well contractors under this section, a person seeking a license or registration shall give a \$10,000 bond to the state. The bond shall be conditioned upon the faithful and lawful performance of work contracted for or performed by the person in Minnesota. The bond shall be for the benefit of persons injured or suffering financial loss by reason of failure of the performance. The bond shall be in lieu of all other license bonds to any political subdivision of the state. The bond shall be written by a corporate surety licensed to do business in Minnesota.

Subd. 6. [LICENSE AND REGISTRATION FEE; ISSUANCE OF LICENSE OR REGISTRATION.] On successfully passing the examination for original license or registration required under subdivision 2 or 3, and showing evidence of bonding required in subdivision 5, the applicant shall submit to the commissioner a license fee of \$250 or a registration fee of \$50. Upon receiving the fee and bond information, the commissioner may issue a license or registration.

Subd. 7. [NONTRANSFERABILITY OF LICENSES AND REGISTRATION; RENEWAL PROCEDURES.] A license or registration issued under this section is not transferable. The person licensed or registered must submit to the commissioner an application to renew the license or registration on a date set by the commissioner. The renewal application must be accompanied by a fee set by the commissioner under section 144.122. The application must also include documentation that the person has met requirements for continuing education that the commissioner establishes by rule. The person must also pay a penalty fee set by the commissioner under section 144.122 if the person submits the renewal application after the required renewal date. If a person submits a renewal application after the required renewal date, the person shall not perform the work for which the person was licensed or registered from the renewal date until the date the person submits an application, fee, and penalty fee.

Subd. 8. [REGISTRATION OF DRILLING MACHINES REQUIRED.] As part of the application for licensing or registration, or annual renewal of a license or registration, a person licensed or registered under this section must pay an annual fee of \$5 for the registration with the commissioner of each drilling machine used to construct water wells and monitoring wells and to excavate holes for elevator shafts or hydraulic cylinders, and \$5 for the registration of each machine such as a pump hoist used to repair wells, seal wells, or install pumps.

Subd. 9. [FEES DEPOSITED WITH STATE TREASURER.] Fees collected for licenses or registration under this section shall be submitted to the department for deposit in the general fund.

Subd. 10. [RECIPROCITY.] The commissioner may license or register, without giving an examination, a person who is licensed or registered in any state, territory, or possession of the United States, or any foreign country, if: (1) the requirements for licensing or registration under which the water well contractor was licensed or registered do not conflict with sections 156A.01 to 156A.09; (2) the requirements are of a standard not lower than that specified by the rules adopted under sections 156A.01 to 156A.09; and (3) equal reciprocal privileges are granted to licensees of this state. A person who seeks a license or registration under this subdivision must apply for the license or registration and pay the fees required under this section.

Subd. 11. [POLITICAL SUBDIVISIONS CANNOT REQUIRE ADDITIONAL LICENSES OR REGISTRATION.] No political subdivision shall require a person licensed or registered under this section to pay a license or registration fee. However, a political subdivision shall be provided upon request with a list of licensed water well contractors, limited water well contractors, elevator shaft contractors, and monitoring well contractors.

Sec. 4. [156A.041] [REQUIREMENTS FOR WATER WELL AND MONITORING WELL CONSTRUCTION AND SEALING AND ELEVATOR SHAFT EXCAVATION AND SEALING.]

Subdivision 1. [WRITTEN CONTRACT REQUIRED.] A person licensed or registered under sections 156A.01 to 156A.09 shall not construct or seal a well or excavate or seal a hole for an elevator shaft or hydraulic cylinder until the well owner or owner of the property on which the water well or hole for the elevator shaft or hydraulic cylinder is located and the person signs a written contract that describes the nature of the work to be performed and the estimated cost of the work. A person may not construct a monitoring well until the owner of the property on which the well is located and the well owner sign a written contract that describes the nature of the work to be performed, the estimated cost of the work, and provisions for sealing the well.

Subd. 2. [WATER WELLS MUST BE IDENTIFIED.] When a water well has been constructed, the contractor shall attach to the well a label showing the unique well number, the depth of the well, the contractor's name, and the date the well was constructed.

Subd. 3. [NONCONFORMING MONITORING WELL.] Any monitoring well whose casing is completed less than 12 inches above grade, may only be constructed if there is no alternative location for constructing a well that ends at least 12 inches above grade. All these monitoring wells must be constructed and sealed in accordance with rules to be adopted by the commissioner.

Subd. 4. [DISTANCE REQUIREMENTS FOR SOURCES OF CONTAMINATION.] No person may place, construct, or install an actual or potential source of contamination any closer to a well than the isolation distances set in the Minnesota water well code adopted under section 156A.05 unless a variance has been issued by the commissioner according to the procedures in the water well construction code.

Subd. 5. [REPORT OF WORK.] Within 30 days after completion or sealing of a well or completion of an excavation for or sealing of an elevator shaft or hydraulic cylinder, a person licensed or registered under this chapter or a person exempt under section 156A.03, subdivision 4, paragraph (a), clause (1), shall submit to the commissioner of health a verified report upon forms provided by the commissioner. The report must contain the following information: (1) the name and address of the owner of the well, elevator shaft or hydraulic cylinder shaft and the actual location of the well or elevator shaft or hydraulic cylinder shaft; (2) a log of the materials and water encountered in connection with drilling, and related pumping tests; and (3) other information the commissioner may require concerning the drilling or sealing of the well or hole for an elevator shaft or hydraulic cylinder. Within 30 days after receiving

the report, the commissioner of health shall send one copy of the report to the commissioner of natural resources, the local soil and water conservation district within which the well or elevator shaft or hydraulic cylinder shaft is located, and one copy to the director of the Minnesota geological survey.

Sec. 5. [156A.042] [ENVIRONMENTAL BORE HOLES.]

Any environmental bore hole shall be constructed, sealed, and reported in accordance with rules to be adopted by the commissioner.

Sec. 6. [156A.043] [RIGHTS AND DUTIES OF OWNER OF PROPERTY ON WHICH A WATER WELL IS LOCATED.]

Subdivision 1. [DISCLOSURE OF WELLS TO BUYER.] Effective July 1, 1990, before signing an agreement to sell or transfer property, the seller or transferor shall disclose in writing to the buyer or transferee information about the status and the location of all wells on the property. In the disclosure, the seller or transferor must indicate, for each well, whether it is in use, not in use, or permanently sealed. At the time of sale, the same information must be provided on the certificate of value required pursuant to section 272.115, or on some other form prescribed by the commissioner. The well information shall be signed by the seller or transferor of the property or a person authorized to act on behalf of the seller. If a seller fails to provide the well information, a buyer or a person authorized to act on behalf of the seller, may sign the well information portion based on the information provided on the disclosure required by this section or based on other available information. The county recorder shall not record a deed, instrument, or writing for which a certificate of value is required under section 272.115, unless the well information required by this section has been provided. The owner shall retain a copy.

Subd. 2. [FAILURE TO DISCLOSE AT TIME OF SALE.] If a seller or transferor fails to disclose the existence of a well at the time of sale, and knew or had reason to know of the existence of a well, the seller or transferor is liable to the buyer for costs and damages related to the sealing of a well and reasonable attorney fees. The right of action must be exercised by the buyer or transferee within six years after the date the buyer purchased or transferee received the property on which the well is located.

Subd. 3. [WHO MUST SEAL WELLS.] To seal wells, the owner of property on which a well is located shall employ a licensed water well contractor or a contractor with a license to seal unused wells. The owner of property with monitoring wells, or holes for elevator shafts, or hydraulic cylinders for elevators shall employ a licensed water well contractor, a contractor with a license to seal unused wells, or a monitoring well contractor to seal monitoring wells no

longer in use; and an elevator shaft contractor to seal holes no longer used for elevator shafts or shafts for hydraulic cylinders for elevators.

Subd. 4. [OWNER'S CAUSE OF ACTION.] The owner of the property on which a water well or a shaft for an elevator or hydraulic cylinder for an elevator is located has a cause of action for civil damages against a person whose action or inaction caused contamination of the well. The right of an owner to maintain a cause of action extends for a period of six years after the owner knows or becomes aware of the contamination of the well. The court may award damages, reasonable attorneys' fees, and costs and disbursements.

Sec. 7. [156A.044] [PERMITS FOR GROUNDWATER THERMAL EXCHANGE DEVICES.]

Subdivision 1. [PERMIT REQUIRED.] Notwithstanding any department or agency rule to the contrary, the commissioner shall issue, upon request by the owner of the property and submission of a \$50 fee, permits for the reinjection of water by a properly constructed well into the same aquifer from which the water was drawn for the operation of a groundwater thermal exchange device.

Subd. 2. [PROCEDURES FOR GROUNDWATER EXCHANGE.] Withdrawal and reinjection shall be accomplished by a closed system in which the waters drawn for thermal exchange have no contact or commingling with water from other sources or with any polluting material or substances. The closed system must be constructed to allow opening for inspection by the commissioner. Wells that are part of a groundwater thermal exchange system shall serve no other function. However, water may be supplied to the domestic water system if the supply is taken off the thermal exchange system ahead of the heat exchange unit, and if the water discharges to a break tank through an air gap that is at least twice the effective diameter of the water inlet to the tank. A groundwater thermal exchange system may be used for domestic water heating only if the water heating device is an integral part of the heat exchange unit that is used for space heating and cooling.

Subd. 3. [LIMITATIONS AND REQUIREMENTS FOR PERMITS.] As a condition of the permit issued under subdivision 1, an applicant shall agree to allow inspection by the commissioner of health during regular working hours for department inspectors. A maximum of 200 permits shall be issued for small systems having maximum capacities of 20 gallons per minute or less. The small systems shall be subject to inspection twice a year. A maximum of ten permits shall be issued for larger systems having maximum capacities from 20 to 50 gallons per minute. These larger systems shall be subject to inspection four times a year. The commissioner may adopt rules to administer this section.

Subd. 4. [REQUIREMENTS FOR WATER APPROPRIATION APPLY.] Water appropriation permit requirements and penalties provided in sections 105.41 to 105.416 and related rules adopted and enforced by the department of natural resources apply to ground-water thermal exchange permit recipients. A person issued a permit under subdivision 1 must comply with this section for the permit to be valid. Noncompliance subjects the person to sanctions for the noncomplying activity that are available to the department of health and pollution control agency.

Sec. 8. [156A.047] [VERTICAL HEAT EXCHANGER; LICENSING AND REGULATION.]

Subdivision 1. [LICENSE REQUIREMENTS.] No water well contractor shall drill or construct any excavation used to install a vertical heat exchanger unless the water well contractor has a valid water well contractor's license.

Subd. 2. [REGULATIONS FOR VERTICAL HEAT EXCHANGERS.] Vertical heat exchangers must be constructed, maintained, and sealed according to sections 156A.01 to 156A.09, and rules adopted under those sections.

Subd. 3. [PERMIT REQUIRED.] No water well contractor shall install a vertical heat exchanger without first obtaining a permit from the commissioner of health. The water well contractor must apply for the permit on forms provided by the commissioner and must pay a \$50 fee. As a condition of the permit, the owner of the property on which the vertical heat exchanger is to be installed shall agree to allow inspection by the commissioner, or an agent, during regular working hours of department of health inspectors.

Sec. 9. Minnesota Statutes 1988, section 156A.05, is amended to read:

156A.05 [POWERS AND DUTIES OF THE COMMISSIONER OF HEALTH.]

Subdivision 1. [POWERS OF COMMISSIONER.] The state commissioner of health shall possess all ~~possesses~~ the powers reasonable and necessary to exercise effectively the authority granted by sections 156A.01 to ~~156A.08~~ 156A.09.

Subd. 1a. [DUTIES.] The commissioner shall:

(1) regulate the drilling, construction, and sealing of water wells within this state;

(2) examine and license water well contractors, persons modifying or repairing well casings, well screens, or well diameters; construct-

ing unconventional wells such as drive points or dug wells; sealing wells; installing water well pumps or pumping equipment; and excavating or drilling holes for the installation of elevator shafts or hydraulic cylinders for elevators; and sealing holes for elevator shafts and hydraulic cylinders for elevator shafts;

(3) register and examine monitoring well contractors;

(4) license explorers engaged in exploratory boring and examine individuals who supervise or oversee exploratory boring;

(5) after consultation with the commissioner of natural resources and the pollution control agency, establish standards for the design, location, construction, repair, and sealing of water wells and holes for elevator shafts or hydraulic cylinders within the state; and

(6) issue permits for construction and maintenance of groundwater thermal devices, vertical heat exchangers, and excavation for holes to install elevator shafts or hydraulic cylinders.

Subd. 2. [COMMISSIONER TO ADOPT RULES.] The commissioner of health shall by December 31, 1971, in the manner prescribed by chapter 15, hold a public hearing and promulgate adopt rules necessary under chapter 14 to carry out the purposes of sections 156A.01 to ~~156A.08~~ 156A.09 including, but not limited to:

(a) Issuance of licenses for qualified water well contractors, persons modifying or repairing well casings, well screens, or well diameters; constructing unconventional wells such as drive points or dug wells; sealing wells; installing water well pumps or pumping equipment and excavating holes for installing elevator shafts or hydraulic cylinders; and issuance of registration for monitoring well contractors.

(b) Establishment of conditions for examination and review of applications for license.

(c) Establishment of conditions for revocation and suspension of license.

(d) Establishment of minimum standards for design, location, construction, abandonment, and repair, and sealing of wells and holes dug to construct elevator shafts or hydraulic cylinders, to effectuate carry out the purpose and intent of sections 156A.01 to ~~156A.08~~ 156A.09. The use of plastic water well casing is expressly permitted and the commissioner shall adopt appropriate construction procedures and material standards in rule.

(e) Establishment of a system for reporting on wells drilled and abandoned by licensed water well contractors sealed.

(f) Establishment of standards for the construction, maintenance, sealing, and water quality monitoring of wells in areas of known or suspected contamination.

(g) Establishment of wellhead protection measures for water wells serving public water supplies.

(h) Establishment of procedures for coordinating collection of well data with other state and local governmental agencies.

(i) Establishment of criteria and procedures for submission of reports, formation samples or cuttings, water samples, or other special information required for geologic and water resource mapping.

Subd. 3. [INSPECTIONS BY COMMISSIONER.] The state commissioner of health may inspect and have access at all reasonable times to any well site, including water wells drilled, abandoned sealed, or repaired or being drilled, abandoned, or repaired, and shall have access to same at all reasonable times. The commissioner may also collect water samples from the wells.

Subd. 4. [COMMISSIONER MAY ORDER REPAIRS AND SEALING OF WELLS.] The commissioner may order the owner of a well to take remedial measures, including making repairs, reconstructing or abandoning sealing the well in accordance with according to rules of the commissioner. The order may be issued if the commissioner determines, based upon inspection of the well and site or an analysis of water from the well, that any of the following conditions exist:

- (1) the well is contaminated,
- (2) the well has not been abandoned in accordance with sealed according to the rules of the commissioner,
- (3) the well is in such a state of disrepair that its continued existence endangers the quality of the groundwater located, constructed, or maintained in such a manner that its continued use or existence endangers the quality of the groundwater or provides a health or safety hazard,
- (4) the water well does not produce water because it is not equipped with an operable pump or the electrical supply has been disconnected from the well, or
- (5) the well is located in such a place or constructed in such a manner that its continued use or existence endangers the quality of the groundwater the water well has construction failure that may

include holes in the casing, collapsed holes, plugged screens, or pumps only sediment or sand.

The order may be enforced in an action to seek compliance brought by the commissioner in the district court of the county in which the well is located.

The owner has a cause of action for civil damages against any person whose action or inaction caused contamination of the well. The right of an owner to maintain a course of action as provided herein extends for a period of six years after the owner knows or becomes aware of the contamination of the well. The court shall award damages, reasonable attorneys' fees, and costs and disbursements.

Subd. 5. [COMMISSIONER MAY RECOVER COSTS.] Failure to comply with a commissioner's order to seal a water well may result in the commissioner entering into a contract to have the well sealed. Any expense incurred by the state in sealing a well pursuant to an order to seal shall constitute and be a lien in favor of the state against the land involved. The state may recover its costs by either of the following means:

(a) The amount of the expense shall be certified to the county auditor, who shall enter the expense upon the tax books, as a special assessment upon the land, to be collected in the same manner as other real estate taxes on the parcel for the next year.

(b) If the amount certified in paragraph (a) exceeds \$1,000, the state may allow the assessment to be collected in ten equal annual installments payable to the county treasurer with the taxes on the property next due. When collected by the county treasurer the amount shall be reimbursed to the state treasurer.

(c) The lien attaches to real property on which the well is located. The lien is perfected by filing a copy of the lien with the county recorder or registrar of deed where the well and property are located and serving or mailing by return receipt a copy of the lien to the property owner.

Subd. 6. [SATISFACTION OF LIEN.] The amount due of a lien under this section may be paid at any time. When the amount of the lien is paid, the commissioner must execute a satisfaction of the lien and record the satisfaction with the county recorder or registrar of deeds where the lien was filed.

Subd. 7. [APPROPRIATION OF RECOVERED COSTS.] Costs of sealing wells recovered from property owners shall be deposited in the state treasury and credited to the account from which the amounts were originally appropriated.

Sec. 10. Minnesota Statutes 1988, section 156A.06, is amended to read:

156A.06 [WATER WELL CONTRACTORS AND EXPLORATORY BORERS ADVISORY COUNCIL ON WATER WELLS AND EXPLORATORY BORING; MEMBERS; TERMS; EMPLOYEES.]

Subdivision 1. [ADVISORY COUNCIL ESTABLISHED.] There is hereby created (a) The advisory council on water well contractors and wells, exploratory borers advisory council, herein referred to as the borings, and elevator shaft excavations ("advisory council,") is established as an advisory council to the state commissioner of health. The advisory council shall be composed consist of 16 15 voting members. Of the 16 15 voting members;

(1) one member shall be from the state department of health, appointed by the state commissioner of health;

(2) one member shall be from the department of natural resources, appointed by the commissioner of natural resources;

(3) one member shall be a member of the Minnesota geological survey of the University of Minnesota appointed by the director; two members

(4) one member shall be engaged in the business of exploratory boring for minerals a licensed exploratory borer;

(5) one member shall be a licensed elevator shaft contractor;

(6) two members must be members of the public members who are not connected with the business of exploratory boring or the water well drilling industry;

(7) one member shall be from the pollution control agency, appointed by the commissioner of the pollution control agency;

(8) one member shall be a professional engineer monitoring well contractor; one member shall be a certified professional geologist; and

(9) six members shall be contractors must be residents of Minnesota appointed by the commissioner of health, who are actively engaged in the water well drilling industry, with not to exceed more than two from the seven county metropolitan area and at least four from the remainder rest of the state who shall be representative of represent different geographical regions.

(b) They shall be residents of the state of Minnesota and appointed by the commissioner of health. No appointee of the water well drilling industry shall serve more than two consecutive terms. The appointees to the advisory council from the water well drilling industry shall must have been bona fide residents of this state for a period of at least three years prior to before appointment and shall. Members must have had at least five years experience in the water well drilling business. Expiration of the council shall expire, and the terms of the appointed members and the compensation and removal of all members shall be as provided in are governed by section 15.059.

Sec. 11. Minnesota Statutes 1988, section 156A.071, is amended to read:

156A.071 [EXPLORATORY BORING; LICENSING AND REGULATION PROCEDURES.]

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

(a) "Data" includes but is not limited to all samples and factual noninterpreted data obtained from exploratory borings and samples including analytical results;

(b) "Parcel" means a government section, fractional section, or government lot; and

(c) "Samples" means at least a one-quarter portion of all samples from exploratory borings that are customarily collected by the explorer.

Subd. 2. [LICENSING LICENSE REQUIRED.] An explorer engaging in exploratory boring shall obtain a license to do so in accordance with according to the provisions of this chapter and the rules adopted thereunder under this chapter. The explorer may designate a responsible individual who supervises and oversees the making of exploratory borings. Before an individual supervises or oversees an exploratory boring, the individual shall take and pass an examination on these sections of the Minnesota Water Well Construction Code relating to construction, location, and abandonment sealing of wells, which apply to exploratory borings. A professional engineer registered pursuant according to sections 326.02 to 326.15, or a certified professional geologist shall is not be required to take the examination specified required in this section subdivision but shall be required to must be licensed in accordance with according to this section to engage in exploratory boring.

Subd. 3. [REGISTRATION.] At least 30 days prior to before commencing exploratory borings, an explorer shall register with the

commissioner of natural resources and provide a copy of the registration to the commissioner of health. The registration shall include:

(a) The identity of the firm, association, or company engaged in exploratory boring; and

(b) The identification of an agent, including the agent's business address. The commissioner of natural resources may require a bond, security, or other assurance from an explorer if the commissioner of natural resources has reasonable doubts as to about the explorer's financial ability to comply with requirements of law relating to exploratory boring. An explorer shall register annually with the commissioner of natural resources while conducting exploratory boring.

Subd. 4. [INFORMATIONAL REQUIREMENTS.] At least ten days ~~prior to the commencement of~~ ~~before beginning~~ exploratory boring, ~~each an~~ explorer shall submit to the commissioner of natural resources a county road map having a scale of one-half inch equal to one mile, as prepared by the state department of transportation, ~~indicating~~ showing the location of each proposed exploratory boring to the nearest estimated 40 acre parcel. ~~The explorer must submit a copy of this map shall be submitted to the commissioner of health.~~

Subd. 5. [ACCESS TO DRILL SITES.] The commissioner of health, the commissioner of natural resources, the commissioner of the pollution control agency, the ~~agent of a board of community health board as authorized under section 145A.04,~~ and their officers and employees shall have access to exploratory boring sites for the ~~purpose of inspecting to inspect~~ the drill holes, drilling, and ~~abandonment sealing of exploratory borings,~~ and for the ~~purpose of sampling to sample~~ ambient air and drilling waters, and ~~measuring to measure~~ the radioactivity of the waste drill cuttings at the drilling site at the time of on-site observation.

Subd. 6. [EMERGENCY NOTIFICATION.] The explorer shall promptly notify the commissioner of health, the commissioner of natural resources, the pollution control agency, and the ~~authorized agent board of health~~ of any occurrence during exploratory boring that has a potential for significant adverse health or environmental effects ~~and. The explorer shall take such reasonable action as may be reasonably possible to minimize such the adverse effects.~~ The commissioner of health may inspect data ~~prior to before~~ its submission as required by subdivision 8, if necessary, to accomplish the purposes of the laws relating to explorers and exploratory borings. The data examined by the commissioner of health ~~shall be considered to be is~~ not public data ~~prior to the time for making any submissions of the data before it is submitted~~ under subdivision 8 or 9.

Subd. 7. [PERMANENT AND TEMPORARY ABANDONMENT

SEALING PROCEDURES.] Permanent and temporary abandonment sealing of exploratory borings shall be accomplished pursuant according to rules adopted in accordance with under this chapter.

Subd. 8. [~~ABANDONMENT SEALING REPORT.~~] Within 30 days of permanent or temporary abandonment sealing of an exploratory boring, the explorer shall submit ~~on forms provided by the commissioner of health~~ a report to the commissioner of health and the commissioner of natural resources a report to. The report must be on forms provided by the commissioner of health and must include:

- (a) The location of each drill hole at as large a scale as possible, which is normally prepared as part of the explorer's record;
- (b) The type and thickness of overburden and rock encountered;
- (c) Identification of water bearing formations encountered;
- (d) Identification of hydrologic conditions encountered;
- (e) Method of ~~abandonment~~ sealing used;
- (f) Methods of construction and drilling used;
- (g) Average scintillometer reading of waste drill cuttings ~~prior to~~ before backfilling of the recirculation pits.

Subd. 9. [SUBMISSION OF DATA FROM EXPLORATORY BORINGS.] Data obtained from exploratory borings shall be submitted by the explorer to the commissioner of natural resources as follows:

- (a) Upon application for a state permit required for activities relating to mineral deposit evaluation, the explorer shall submit to the commissioner of natural resources data relevant to the proposal under consideration. The explorer may identify portions of the data which that, if released, would impair the competitive position of the explorer submitting the data. Data so identified shall be considered to be not public data. If requested to disclose the data, the commissioner shall mail notice of the request to the explorer and determine whether release of the data would impair the competitive position of the explorer submitting the data. If the commissioner determines that release of the data would impair the competitive position of the explorer submitting the data, the commissioner shall not release the data to any person other than parties to the proceedings relating to the permit under consideration. Parties to the proceedings shall maintain the confidentiality of data. Further, data which are classified as not public shall not be released by the commissioner until 30 days after mailed notice to the explorer of the commissioner's intention to do so. Under no circumstances shall The commissioner shall not release data to any person engaged in exploration, mining,

milling, or related industry pertaining to any mineral. If the commissioner determines to release data, the explorer may demand a contested case hearing on the commissioner's determination or may withdraw the permit application and the data shall not be released. Any person aggrieved by the decision of the commissioner may appeal the decision ~~in accordance with~~ according to chapter 14.

(b) Upon application for a state permit required for mine development, the explorer shall submit to the commissioner of natural resources data relevant to the proposal under consideration. This data shall be considered public data and persons submitting the data shall not be subject to civil or criminal liability for its use by others.

(c) Within six months after termination by the explorer of its lease or any other type of exploration agreement on a property all data shall be submitted. The data shall be considered public data and persons submitting the data shall not be subject to civil or criminal liability for its use by others. Data submitted to the commissioner of natural resources ~~prior to before~~ May 1, 1980 need not be submitted under this section. The commissioner of natural resources shall designate which samples shall be submitted, and shall specify the ~~location to which~~ where the sample shall be delivered. ~~In the event that~~ If the explorer requires certain samples in their entirety, the commissioner of natural resources may waive the requirement for a one-fourth portion of the samples. Samples submitted become property of the state.

(d) As used in this subdivision, "mineral deposit evaluation" means examining an area to determine the quality and quantity of minerals, excluding exploratory boring but including obtaining a bulk sample, by ~~such means as~~ excavating, trenching, constructing shafts, ramps, tunnels, pits and producing refuse and other associated activities. "Mineral deposit evaluation" ~~shall~~ does not include activities intended, by themselves, for commercial exploitation of the ore body. "Mine development" means those activities undertaken after mineral deposit evaluation for commercial exploitation of the ore body.

Sec. 12. Minnesota Statutes 1988, section 156A.075, is amended to read:

156A.075 [LOCAL CONTROL OF EXPLORERS ALLOWED.]

Nothing contained in Laws 1980, chapter 535 shall be construed as limiting chapter 156A limits the lawful authority of local units of government to prohibit mineral exploration within their boundaries, require permits from explorers, or impose reasonable requirements and fees upon explorers, consistent with the provisions of Laws 1980, chapter 535 sections 156A.01 to 156A.09, other state laws, and rules promulgated thereunder adopted under those laws.

Sec. 13. Minnesota Statutes 1988, section 156A.08, is amended to read:

156A.08 [PENALTIES.]

Subdivision 1. [VIOLATIONS ARE GROSS MISDEMEANORS.] ~~Any person who shall~~ A person is guilty of a gross misdemeanor if the person: (1) willfully violate ~~violates~~ any lawful rule or order of the commissioner; or who shall engage; ~~(2) engages~~ in the business of drilling or making water wells, sealing wells, installing pumps or pumping equipment, or excavating holes for elevator shafts or hydraulic cylinders without first having obtained a license as required in sections 156A.01 to 156A.08 required, or who shall engage 156A.09; ~~(3) engages~~ in the business of exploratory boring without either being licensed in accordance with the provisions of under this chapter, or being registered as a professional engineer or certified as a professional geologist; or who shall violate ~~(4) violates~~ any provision of sections 156A.01 to 156A.08, shall be guilty of a gross misdemeanor 156A.09. Any A violation of sections 156A.01 to 156A.08 156A.09 shall be prosecuted by the county attorney in the county in which the said violation occurred or is occurring, and. The trial thereof shall be held in that county.

Subd. 2. [DENIAL OF RENEWAL.] The commissioner may deny an application for renewal of a license or registration if the applicant has violated any provision of sections 156A.01 to 156A.09 or rules adopted under those sections. The following are sufficient grounds to refuse renewal: failure to submit a well report, well sealing report, or report on excavation of holes to install elevator shafts or hydraulic cylinders.

Subd. 3. [SUSPENSION, REVOCATION OF LICENSE OR REGISTRATION.] A license or registration issued under sections 156A.01 to 156A.09 may be suspended or revoked upon finding that the licensee or person registered has violated provisions of sections 156A.01 to 156A.09 or the rules and regulations adopted under sections 156A.01 to 156A.09 that apply to the particular license or registration. Proceedings by the commissioner of health under this section and review of the proceedings shall be according to the administrative procedure act.

Subd. 4. [HEARING.] The commissioner may, after providing a person with reasonable notice and a hearing, suspend or revoke the license or registration of the person upon finding that the person has violated requirements of this chapter or rules adopted under this chapter that apply to the person's license or registration. Proceedings by the commissioner of health according to this section and review shall be according to chapter 14.

Subd. 5. [ADMINISTRATIVE PENALTIES.] The commissioner may seek to remedy violations of this chapter or the commissioner's

orders by imposing administrative penalties. The penalties may be appealed within ten days of the order in a contested case hearing under chapter 14.

(a) A well contractor or limited well contractor who seals a well, a monitoring well contractor who seals a monitoring well, or an elevator shaft contractor who seals a hole that was used for an elevator shaft in a manner that does not comply with the water well construction code, shall be assessed \$500.

(b) A well contractor or monitoring well contractor who fails to comply with the rules in the water well construction code relating to location of wells in relation to potential sources of contamination, grouting, materials, or construction techniques shall be assessed \$500.

(c) A well contractor or monitoring well contractor shall be assessed \$250 if the contractor: (1) constructs a well without an approved plan review when a plan review is required; (2) constructs a well without a permit; (3) fails to register a drilling rig or pump rig and fails to display the state decal and the registration number on the machine; or (4) fails to comply with the rules in the water well construction code relating to disinfection of water wells and submission of well construction or well sealing logs and water samples.

(d) A person who fails to disclose or who falsifies information about the status and location of wells on property before signing an agreement of sale or transfer of the property, or on a well certificate shall be assessed \$250 unless the seller or transferor can show that reasonable steps were taken to determine that no unreported wells exist on the property. Steps include examination of historical and land ownership records.

(e) A person who employs a well contractor on the person's property and fails to obtain a permit for construction of the well, or who fails to have a well sealed in accordance with the rules, shall be assessed \$250.

Sec. 14. [156A.09] [DUTIES AND RESPONSIBILITIES OF LOCAL UNITS OF GOVERNMENT.]

Upon notice from the commissioner of health, local law enforcement authorities shall impound the equipment of any person who has constructed, repaired, or sealed wells or installed pumps or pumping equipment or excavated holes for installing elevator shafts or hydraulic cylinders without a license or registration as required under this chapter. The equipment shall remain in the custody of the local law enforcement office until a final court order is issued.

Sec. 15. Minnesota Statutes 1988, section 326.37, is amended to read:

326.37 [PLUMBERS; SUPERVISION BY STATE COMMISSIONER OF HEALTH; RULES; VIOLATION; PENALTY.]

Subdivision 1. [MINIMUM STANDARDS.] The state commissioner of health may, by rule, prescribe minimum standards which shall be uniform, and which standards shall thereafter be effective for all new plumbing installations, including additions, extensions, alterations, and replacements connected with any water or sewage disposal system owned or operated by or for any municipality, institution, factory, office building, hotel, apartment building, or any other place of business regardless of location or the population of the city or town in which located. Violation of the rules shall be a misdemeanor.

Subd. 2. [STANDARDS FOR CAPACITY.] By January 1, 1991, all new and replacement floor-mounted water closets may not have a flush volume of more than 1.6 gallons. The water closets must meet the standards of the commissioner and the American National Standards Institute.

Subd. 3. [ADMINISTRATION.] The commissioner shall administer the provisions of sections 326.37 to 326.45 and for such purposes may employ plumbing inspectors and other assistants.

Sec. 16. [REPEALER.]

Minnesota Statutes 1988, sections 156A.02, subdivision 3; 156A.031; 156A.04; 156A.07; 156A.10; and 156A.11, are repealed.

ARTICLE 6

Section 1. Minnesota Statutes 1988, section 116C.41, subdivision 1, is amended to read:

Subdivision 1. [WATER PLANNING.] The board shall:

(1) coordinate public water resource management and regulation activities among the state agencies having jurisdiction in the area;

(2) initiate, coordinate, and continue to develop comprehensive long-range water resources planning in furtherance of the plan adopted by the water planning board entitled "A Framework for a Water and Related Land Resources Strategy for Minnesota, 1979";

(3) coordinate water planning activities of local, regional, and

federal bodies with state water planning and integrate these plans with state strategies; and

(4) coordinate development of state water policy recommendations and priorities, and recommend a program for funding identified needs, including priorities for implementing the state water resources monitoring plan under clause (5);

(5) develop a plan for monitoring the state's water resources in cooperation with state agencies and local units of government participating in the monitoring of water resources and in the development of comprehensive local water plans;

(6) administer federal water resources planning with multiagency interests;

(7) establish minimum data compatibility standards governing the collection and automation of water resource and related data that has common value for natural resource planning;

(8) identify water resources information and education needs, priorities, and goals and prepare an implementation plan to guide state activities relating to water resources information and education;

(9) coordinate the development and evaluation of water information and education materials and resources;

(10) coordinate the dissemination of water information and education through existing delivery systems;

(11) prepare an interdisciplinary program of instruction on water education for teachers and students in kindergarten through grade 12; and

(12) prepare an annual report on program results.

Sec. 2. Minnesota Statutes 1988, section 116C.41, is amended by adding a subdivision to read:

Subd. 4. [CONSISTENCY OF STATE INFORMATION ACTIVITIES.] State agency information and education activities must be consistent with the implementation plan required under subdivision 1, clause (8).

ARTICLE 7

LOCAL WATER RESOURCES PROTECTION
AND MANAGEMENT

Section 1. Minnesota Statutes 1988, section 110B.35, subdivision 3, is amended to read:

Subd. 3. [EX OFFICIO NONVOTING MEMBERS.] The following agencies shall each provide one nonvoting member to the board:

- (1) department of agriculture;
- (2) department of health;
- (3) department of natural resources; and
- (4) pollution control agency; and
- (5) the University of Minnesota.

Sec. 2. [110C.01] [SHORT TITLE.]

Sections 2 to 7 may be cited as the "local water resources protection and management program."

Sec. 3. [110C.02] [PURPOSE.]

The purpose of the local water resources protection and management program is to provide state financial and technical assistance to local units of government for local programs to protect and manage water resources within the framework provided by approved comprehensive local water plans.

Sec. 4. [110C.03] [DEFINITIONS.]

Subdivision 1. [SCOPE.] For the purposes of sections 2 to 7, the terms defined in this section have the meanings given them.

Subd. 2. [BOARD.] "Board" means the board of water and soil resources.

Subd. 3. [LOCAL UNIT OF GOVERNMENT.] "Local unit of government" means a statutory or home rule charter city, town, county, or soil and water conservation district, watershed district, an organization formed for the joint exercise of powers under section 471.59, a local health board, or other special purpose district or authority with local jurisdiction in water and related land resources management.

Subd. 4. [COMPREHENSIVE LOCAL WATER PLAN.] "Comprehensive local water plan" means a county water plan authorized under section 110B.04, a watershed management plan required under section 473.878, an overall plan required under section 112.46, or a county groundwater plan authorized under section 473.8785.

Sec. 5. [110C.04] [COMPREHENSIVE LOCAL WATER PLANS HAVE PRIORITY FOR FINANCIAL ASSISTANCE.]

State agencies must give priority to local requests that are part of, or responsive to, a comprehensive local water plan when administering programs for water-related financial and technical assistance.

Sec. 6. [110C.05] [LOCAL WATER RESOURCES PROTECTION AND MANAGEMENT GRANTS.]

Subdivision 1. [ESTABLISHMENT; FINANCIAL ASSISTANCE TO COUNTIES.] A local water resources protection and management grants program is established. The board shall provide financial assistance to counties for cooperative local government activities that protect and improve water quality or quantity. These activities may include, but are not limited to, planning, official controls, and other activities to implement comprehensive local water plans.

Subd. 2. [COUNTY SPONSORSHIP.] Funding requests must be submitted to the board by a county. A county must coordinate and submit requests on behalf of other units of government within its jurisdiction. A county may contract with other appropriate local units of government to implement programs conducted under this section. An explanation of the program responsibilities proposed to be contracted with other local units of government must accompany grant requests. A county that contracts with other local units of government is responsible for ensuring that state funds are properly expended and for providing an annual report to the board describing expenditures of funds and program accomplishments.

Subd. 3. [FINANCIAL ASSISTANCE.] Grants may be used to employ persons and to obtain and use information necessary to implement the following activities:

(1) develop comprehensive local water plans under sections 110B.04 and 473.8785 which have not received state funding for water resources planning as provided for in Laws 1987, chapter 404, section 30, subdivision 5, clause (a); and

(2) implement water resources programs identified as priorities in comprehensive local water plans.

Subd. 4. [LIMITATIONS.] Grants provided to carry out mandated or delegated state programs under this section shall be reviewed by the agency having statutory program authority to assure compliance with minimum state standards. At the request of the agency commissioner, the board shall revoke that portion of the grant used to support a noncompliant program.

Grants provided for the purpose of developing comprehensive local water plans shall not be awarded for greater than a two-year time period.

Subd. 5. [RULES.] The board shall adopt rules that:

(a) establish performance criteria for grant administration for local implementation of state delegated or mandated programs that recognize regional variations in program needs and priorities;

(b) recognize the unique nature of state delegated or mandated programs;

(c) specify that program activities contracted by a county to another local unit of government are eligible for funding;

(d) require that grants from the board shall not exceed the amount matched by participating local units of government; and

(e) specify a process for the board to establish a base level grant amount that all participating counties may be eligible to receive.

Subd. 6. [ELIGIBILITY.] A county requesting funds must have adopted a comprehensive local water plan unless the request is made under subdivision 3, clause (1).

Subd. 7. [PRIORITIES.] The board must consider requests for funding according to the following:

(1) completing comprehensive local water plans under sections 110B.04 and 473.8785;

(2) adoption, administration, and enforcement of official controls;

(3) indicate the participation of several local units of government, including multicounty efforts;

(4) complement goals of federal, state, and local units of government; and

(5) demonstrate long-term commitments to effective water protection and management programs.

Subd. 8. [COORDINATED REVIEW OF COUNTY WATER RESOURCES PROTECTION AND MANAGEMENT PROGRAM.] The board shall consult with appropriate agencies to evaluate grant requests and coordinate project activities with other state, federal, and local resource management projects.

Sec. 7. [110C.06] [WELL SEALING GRANTS.]

Subdivision 1. [POLICY.] The board shall make grants to counties to seal wells. The board may allocate funds to counties to be used to share the cost of sealing priority wells. The county shall use the state funds to pay up to 75 percent, but not to exceed \$2,000 per well, of the cost of sealing priority wells.

Subd. 2. [REPORT.] The board in consultation with the commissioner of health shall make annual reports to the legislature on the status of expenditures and well sealings.

Subd. 3. [SUNSET.] The grant program established under this section shall not continue beyond June 30, 1995. Grants provided between July 1, 1989 and June 30, 1995, are contingent upon biennial appropriation of funds.

Subd. 4. [ELIGIBILITY.] All wells proposed for sealing with grants by the board under this section must be wells identified as part of the priority action in an approved comprehensive local water plan and are wells that qualify for sealing under criteria established by the board.

Subd. 5. [APPLICATION.] (a) Counties shall complete and submit applications for well sealing grants on forms prescribed by the board.

(b) In its application, the county shall provide evidence that it has consulted the local community health service boards, soil and water conservation districts, and other appropriate local units of government or organizations in preparing the application.

Subd. 6. [BOARD DUTIES.] (a) The board, in selecting counties for participation, shall consult with the commissioners of natural resources, pollution control, and health, and the director of the Minnesota geological survey, and must consider appropriate criteria including the following:

- (1) diversity of well construction;
- (2) diversity of geologic conditions;
- (3) current use of affected aquifers;

(4) diversity of land use; and

(5) aquifer susceptibility to contamination by unsealed wells.

(b) The board and the commissioner of health shall establish priorities for sealing wells based upon the following criteria:

(1) well construction, depth, and condition;

(2) importance of aquifer as public and private water supply source;

(3) proximity to known or potential point or nonpoint contamination sources;

(4) current contamination of the well or aquifer;

(5) susceptibility of aquifer to contamination by unsealed wells;

(6) limited availability of alternative sources of drinking water;

(7) potential for use of the well for monitoring groundwater;

(8) anticipated changes in land or water use;

(9) unique conditions such as construction, rehabilitation, or demolition areas; and

(10) danger to humans or animals of falling into the well.

Subd. 7. [COUNTY DUTIES AND RESPONSIBILITIES.] (a) A county may contract for the administration of the well sealing program with another local unit of government.

(b) A county, or contracted local unit of government, shall contract with landowners to share in the cost of sealing priority wells in accordance with subdivision 6. The contract shall specify that:

(1) sealing must be done in accordance with chapter 156A and the commissioner of health rules relating to sealing of wells;

(2) that payment shall be made to the landowner, upon completion of sealing of the well by a contractor licensed in accordance with chapter 156A; and

(3) that a record of well sealing shall be filed along with a copy of the water well record with the commissioner of health.

(c) The county shall make an annual report to the board, by or before February 15 of each year, on the status of the well sealing grant program including the number and location of wells sealed and the amount spent on each.

(d) The county must consult with local health boards, soil and water conservation districts, planning and zoning departments, and other appropriate organizations during program implementation.

(e) To encourage landowner participation in the program, the county shall publicize in newspapers of general circulation, information regarding availability of state funds to share the cost of sealing wells, may conduct appropriate well sealing workshops and demonstrations, and invite the public to report to the county on the existence of wells that need to be sealed.

Subd. 8. [LANDOWNER RIGHTS AND RESPONSIBILITIES.] The owner shall file the record of well sealing with the county recorder or register of deeds where the sealed well is located.

Sec. 8. Minnesota Statutes 1988, section 115.093, subdivision 5, is amended to read:

Subd. 5. [LOCAL UNIT OF GOVERNMENT.] "Local unit of government" means a statutory or home rule charter city, town, county, soil and water conservation district, watershed district, an organization formed for the joint exercise of powers under section 471.59, an Indian tribe or an authorized Indian tribal organization, and any other special purpose district or authority exercising authority in water and related land resources management at the local level.

ARTICLE 8

WATER APPROPRIATION PRIORITIES

Section 1. [105.406] [NEW ONCE-THROUGH PERMITS PROHIBITED.]

No new water use permits for groundwater may be issued for once-through cooling systems for human comfort constructed after the effective date of this act. The renewal or amendment of existing permits shall be allowed.

Sec. 2. [CONSUMPTIVE WATER USE STUDY.]

The commissioner of natural resources shall conduct a study of consumptive water use and its impact on existing aquifers. The commissioner shall review methods of reducing consumptive groundwater use, including the conversion of once-through cooling

systems for human comfort to alternative systems. The commissioner shall report to the legislature by January 1, 1990, the commissioner's recommendations for alternatives to the once-through heating and cooling systems including potential uses for discharge water from the systems, the environmental and economic implications of the alternatives, and other uses for the discharge water. The report shall also describe the relative impact on affected aquifers, examine the efficiency of once-through cooling systems, and make recommendations for corrective action on inefficient systems. The corrective action shall include either upgrading such systems or the conversion to an alternative system within a time schedule to be recommended by the commissioner of natural resources, but not later than January 2, 1994.

Sec. 3. Minnesota Statutes 1988, section 105.41, subdivision 1a, is amended to read:

Subd. 1a. [WATER ALLOCATION RULES, PRIORITIES.] The commissioner shall ~~submit to the legislature by January 1, 1975, for its approval, proposed adopt rules in the manner provided in chapter 14, governing the allocation of waters among potential water users. For the purposes of this section, "consumption" shall mean water withdrawn from a supply which is lost for immediate further use in the area.~~ These rules must be based on the following priorities for the consumptive appropriation and use of water:

First priority: domestic water supply, excluding industrial and commercial uses of municipal water supply, and use for power production that meets the contingency planning provisions of section 105.417, subdivision 5.

Second priority: any use of water that involves consumption of less than 10,000 gallons of water a day. In this section "consumption" means water withdrawn from a supply that is lost for immediate further use in the area.

Third priority: agricultural irrigation, involving consumption in excess of 10,000 gallons a day, and processing of agricultural products.

Fourth priority: power production involving consumption in excess of 10,000 gallons a day in excess of the use provided for in the contingency plan developed pursuant to section 105.417, subdivision 5.

Fifth priority: other uses, involving consumption in excess of 10,000 gallons a day.

Appropriation and use of surface water from streams during periods of flood flows and high water levels must be encouraged

subject to consideration of the purposes for use, quantities to be used, and the number of persons appropriating water.

Appropriation and use of surface water from lakes of less than 500 acres in surface area must be discouraged.

The treatment and reuse of water from nonconsumptive uses shall be encouraged.

Diversions of water from the state for use in other states or regions of the United States or Canada must be discouraged.

No permit may be issued under this section unless it is consistent with state, regional, and local water and related land resources management plans, if regional and local plans are consistent with statewide plans. The commissioner must not modify or restrict the amount of appropriation from a groundwater source authorized in a permit issued under section 105.44, subdivision 8, between May 1 and October 1 of any year, unless the commissioner determines the authorized amount of appropriation endangers any domestic water supply.

Sec. 4. Minnesota Statutes 1988, section 105.418, is amended to read:

105.418 [CONSERVATION OF PUBLIC WATER SUPPLIES.]

During periods of critical water deficiency as determined by the governor and declared by order of the governor, public water supply authorities appropriating water shall adopt and enforce restrictions consistent with rules adopted by the commissioner of natural resources within their areas of jurisdiction. The restrictions must limit lawn sprinkling, car washing, golf course and park irrigation, and other nonessential uses and have appropriate penalties for failure to comply with the restrictions. The commissioner may adopt emergency rules according to sections 14.29 to 14.36 relating to matters covered by this section during the year 1977. Disregard of critical water deficiency orders, even though total appropriation remains less than that permitted, is grounds for immediate modification of any public water supply authority's appropriator's permit.

ARTICLE 9

APPROPRIATIONS

Section 1. [APPROPRIATION.]

\$440,000 the first year and \$440,000 the second year are appropriated to the commissioner of agriculture from the general fund for

the implementation of the pesticide and fertilizer control provisions of this act."

Delete the title and insert:

"A bill for an act relating to groundwater; establishing best management practices and identification of sensitive areas; adopting health risk limits; changing various requirements and procedures concerning fertilizer, soil amendments, and plant amendments; requiring a study of sustainable agriculture; changing certain pesticide laws; requiring a pesticide management plan; providing for responses to pesticide and fertilizer incidents; reorganizing and revising laws on water wells, exploratory boring, and elevator shafts; providing for local water resources protection and management; establishing water appropriation priorities; amending Minnesota Statutes 1988, sections 17.713; 17.714, subdivisions 1, 3, 6, and by adding a subdivision; 17.715, subdivisions 1, 2, 4, and by adding subdivisions; 17.7155; 17.716, subdivisions 1, 2, and 4; 17.718; 17.719, subdivisions 1, 2, 3, 4, and by adding subdivisions; 17.72; 17.721, by adding a subdivision; 17.722; 17.723; 17.725, subdivision 2, and by adding subdivisions; 17.728, subdivision 1, and by adding subdivisions; 17.7285; 17.73, subdivisions 3 and 5; 18B.01, subdivisions 5, 12, 15, 19, 21, 23, 26, 30, and by adding subdivisions; 18B.04; 18B.07, subdivisions 2, 3, 4, 5, and 7; 18B.08, subdivisions 1, 3, and 4; 18B.15; 18B.17, subdivision 2; 18B.18; 18B.20, by adding a subdivision; 18B.21; 18B.26, subdivisions 1, 5, and by adding a subdivision; 18B.31, subdivision 3; 18B.32, subdivision 2; 18B.33, subdivisions 1, 3, and 7; 18B.34, subdivisions 1, 2, and 5; 18B.36; 18B.37, subdivisions 1, 2, 3, and 4; 43A.08, subdivision 1; 105.41, subdivision 1a; 105.418; 110B.35, subdivision 3; 115.093, subdivision 5; 116C.41, subdivision 1, and by adding a subdivision; 156A.01; 156A.02; 156A.03; 156A.05; 156A.06; 156A.071; 156A.075; 156A.08; 326.37; and 604.02, subdivision 1; proposing coding for new law as Minnesota Statutes, chapters 110C and 115D; proposing coding for new law in Minnesota Statutes, chapters 17; 18B; 105; 115; and 156A; repealing Minnesota Statutes 1988, sections 17.714, subdivisions 4, 4a, and 4b; 17.715, subdivision 3; 17.721; 17.726; 17.727; 17.728, subdivisions 4 and 5; 17.729; 17.73, subdivision 5, paragraph (d); 18B.16; 18B.19; 18B.20, subdivision 6; 156A.02, subdivision 3; 156A.031; 156A.04; 156A.07; 156A.10; and 156A.11."

The motion prevailed and the amendment was adopted.

Munger moved to amend S. F. No. 262, as amended, as follows:

Page 74, line 24, delete "5" and insert "7"

Page 74, line 25, delete "2" and insert "3"

Page 87, line 16, after the comma delete the remainder of the line

Page 87, line 17, delete "156A.02, subdivision 12,"

The motion prevailed and the amendment was adopted.

The Speaker called Krueger to the Chair.

McPherson and Carlson, D., moved to amend S. F. No. 262, as amended, as follows:

Page 87, line 23, delete "sealing wells; or"

Page 87, line 24, delete "(4)"

Page 87, line 25, delete "(5)" and insert "(4)"

A roll call was requested and properly seconded.

Speaker pro tempore Krueger called Quinn to the Chair.

The question was taken on the McPherson and Carlson, D., amendment and the roll was called. There were 32 yeas and 100 nays as follows:

Those who voted in the affirmative were:

Anderson, R.	Frerichs	Knickerbocker	Omann	Swenson
Boo	Girard	Limmer	Poppenhagen	Uphus
Burger	Gutknecht	Lynch	Richter	Valento
Carlson, D.	Haukoos	McDonald	Schafer	Waltman
Dempsey	Heap	McPherson	Schreiber	
Dille	Henry	Miller	Seaberg	
Frederick	Hugoson	Olson, K.	Sviggum	

Those who voted in the negative were:

Abrams	Dorn	Kinkel	O'Connor	Reding
Anderson, G.	Forsythe	Kostohryz	Ogren	Rest
Battaglia	Greenfield	Krueger	Olsen, S.	Rice
Bauerly	Gruenes	Lasley	Olson, E.	Rodosovich
Beard	Hartle	Lieder	Onnen	Rukavina
Begich	Himle	Long	Orenstein	Runbeck
Bennett	Jacobs	Macklin	Osthoff	Sarna
Bertram	Janezich	Marsh	Ostrom	Scheid
Bishop	Jaros	McEachern	Otis	Segal
Blatz	Jefferson	McGuire	Pappas	Simoneau
Brown	Jennings	McLaughlin	Pauly	Skoglund
Carlson, L.	Johnson, A.	Milbert	Pellow	Solberg
Carruthers	Johnson, R.	Morrison	Pelowski	Sparby
Clark	Johnson, V.	Munger	Peterson	Stanius
Conway	Kahn	Murphy	Price	Steensma
Cooper	Kalis	Nelson, C.	Pugh	Tjornhom
Dauner	Kelly	Nelson, K.	Quinn	Tompkins
Dawkins	Kelso	Neuenschwander	Redalen	Trimble

Tunheim
VellengaWagenius
WeaverWelle
WenzelWilliams
WinterWynia
Spk. Vanasek

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

The Speaker resumed the Chair.

S. F. No. 262, A bill for an act relating to protection of groundwater; protecting sensitive areas; promoting and requiring certain best management practices; providing financial assistance for certain groundwater protection activities; authorizing local government groundwater and resource protection programs; establishing a joint legislative committee on water; providing for determination of water research needs; developing a water education curriculum; regulating wells, borings, and underground drillings and uses; regulating water conservation, water appropriations, and setting fees; establishing regulations, enforcing violations, and establishing civil and criminal penalties for violations relating to pesticide, fertilizer, soil amendment, and plant amendment manufacture, storage, sale, use, and misuse; providing a mechanism to aid cleanup and response to incidents relating to agricultural chemicals; providing a task force relating to sustainable agriculture; providing penalties; appropriating money; amending Minnesota Statutes 1988, sections 18B.01, subdivisions 5, 12, 15, 19, 21, 26, 30, and by adding subdivisions; 18B.04; 18B.07, subdivisions 2, 3, 4, and 6; 18B.08, subdivisions 1, 3, and 4; 18B.26, subdivisions 1, 3, 5, and by adding a subdivision; 18B.31, subdivisions 3 and 5; 18B.32, subdivision 2; 18B.33, subdivisions 1, 3 and 7; 18B.34, subdivisions 1, 2 and 5; 18B.36, subdivisions 1 and 2; 18B.37, subdivisions 1, 2, 3, and 4; 40.42, by adding a subdivision; 40.43, subdivisions 2 and 6; 43A.08, subdivision 1; 105.41, subdivisions 1, 1a, 1b, 5, and by adding a subdivision; 105.418; 110B.04, subdivision 6; 115B.20; 116C.41, subdivision 1; 144.381; 144.382, subdivision 1, and by adding a subdivision; and 473.877, subdivision 1; proposing coding for new law in Minnesota Statutes, chapters 3; 17; 18B; 40; and 144; proposing coding for new law as Minnesota Statutes, chapters 18C; 18D; 18E; 103A; 103B; 103H; and 103I; repealing Minnesota Statutes 1988, sections 17.711 to 17.73; 18A.49; 18B.15; 18B.16; 18B.18; 18B.19; 18B.20; 18B.21; 18B.22; 18B.23; 18B.25; 84.57 to 84.621; 105.51, subdivision 3; and 156A.01 to 156A.11.

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

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

Those who voted in the affirmative were:

Abrams

Anderson, G.

Anderson, R.

Battaglia

Bauerly

Beard	Gutknecht	Limmer	Osthoff	Simoneau
Begich	Hartle	Long	Ostrom	Skoglund
Bennett	Hasskamp	Lynch	Otis	Solberg
Bertram	Haukoos	Macklin	Ozment	Sparby
Bishop	Heap	Marsh	Pappas	Stanius
Blatz	Henry	McDonald	Pauly	Steensma
Boo	Himle	McEachern	Pellow	Swiggum
Brown	Hugoson	McGuire	Pelowski	Swenson
Burger	Jacobs	McLaughlin	Peterson	Tjornhom
Carlson, D.	Janezich	McPherson	Poppenhagen	Tompkins
Carlson, L.	Jaros	Milbert	Price	Trimble
Carruthers	Jefferson	Miller	Pugh	Tunheim
Clark	Jennings	Morrison	Quinn	Uphus
Conway	Johnson, A.	Munger	Redalen	Valento
Cooper	Johnson, R.	Murphy	Reding	Vellenga
Dauner	Johnson, V.	Nelson, C.	Rest	Wagenius
Dawkins	Kahn	Nelson, K.	Rice	Waltman
Dempsey	Kalis	Neuenschwander	Richter	Weaver
Dille	Kelly	O'Connor	Rodosovich	Welle
Dorn	Kelso	Ogren	Rukavina	Wenzel
Forsythe	Kinkel	Olsen, S.	Runbeck	Williams
Frederick	Knickerbocker	Olson, E.	Sarna	Winter
Frerichs	Kostohryz	Olson, K.	Schafer	Wynia
Girard	Krueger	Omann	Scheid	Spk. Vanasek
Greenfield	Lasley	Onnen	Schreiber	
Gruenes	Lieder	Orenstein	Seaberg	

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

INTRODUCTION AND FIRST READING OF HOUSE BILLS

The following House File was introduced:

Kelly, Vellenga and Blatz introduced:

H. F. No. 1775, A bill for an act relating to judges; providing for the manner of filling vacancies in the office of judge and on the workers' compensation court of appeals; proposing coding for new law as Minnesota Statutes, chapter 480B.

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

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 File, herewith returned:

H. F. No. 579, A bill for an act relating to certain commercial transactions; adopting an article of the uniform commercial code that governs leases; providing the conditions for the determination of the existence of certain vehicle leases; amending Minnesota Statutes 1988, sections 168A.17, by adding a subdivision; 336.1-105; 336.1-201; and 336.9-113; proposing coding for new law in Minnesota Statutes, chapter 336.

PATRICK E. FLAHAVEN, Secretary of the Senate

Mr. Speaker:

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

H. F. No. 1143, A bill for an act relating to taxation; permitting the city of Rochester to continue levying a general sales tax for flood control costs; amending Laws 1983, chapter 342, article 19, sections 4 and 5.

PATRICK E. FLAHAVEN, Secretary of the Senate

Mr. Speaker:

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

H. F. No. 786, A bill for an act relating to employment; requiring the hiring of local workers and the payment of wages equal to those of railroad workers on certain railroad projects assisted with state money; amending Minnesota Statutes 1988, section 222.50, subdivision 5.

H. F. No. 1548, A bill for an act relating to financial institutions; regulating charges and fees on loans and extensions of credit by financial institutions and others; making various internal reference changes; amending Minnesota Statutes 1988, sections 51A.01; 51A.02, subdivision 14; 51A.38, subdivision 3; 51A.385, subdivisions 4, 5, 6, 7, 8, 9, 11, 12, and 13; 51A.51, subdivision 4; 51A.53; 51A.55, subdivisions 1 and 2; 51A.56; 51A.57; 56.131, subdivision 1; 168.72, subdivision 1; 168.73; and 507.45, subdivision 2.

PATRICK E. FLAHAVEN, Secretary of the Senate

Mr. Speaker:

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

H. F. No. 371, A bill for an act relating to corrections; authorizing

the commissioner of corrections to take photographs of juveniles committed to the commissioner for management and law enforcement purposes; amending Minnesota Statutes 1988, section 260.161, subdivision 3.

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

PATRICK E. FLAHAVEN, Secretary of the Senate

Mr. Speaker:

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

H. F. No. 456, A bill for an act relating to human rights; allowing results of job evaluation systems as evidence in discrimination actions; amending Minnesota Statutes 1988, sections 43A.05, by adding a subdivision; and 471.997.

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

PATRICK E. FLAHAVEN, Secretary of the Senate

Mr. Speaker:

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

H. F. No. 943, A bill for an act relating to health; requiring post-secondary students to submit a statement of immunization; providing exemptions; amending Minnesota Statutes 1988, sections 120.102, subdivision 1; and 123.70, subdivisions 1, 2, 4, 9, and by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapter 135A.

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

PATRICK E. FLAHAVEN, Secretary of the Senate

Mr. Speaker:

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

H. F. No. 949, A bill for an act relating to traffic safety; increasing penalties for persons convicted of DWI after a previous conviction for criminal vehicular operation or for another impaired driving crime; amending Minnesota Statutes 1988, section 169.121, subdivision 3.

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

PATRICK E. FLAHAVEN, Secretary of the Senate

Mr. Speaker:

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

H. F. No. 956, A bill for an act relating to insurance; clarifying the calculation of underinsured motorist benefits; amending Minnesota Statutes 1988, section 65B.49, subdivisions 3a and 4a.

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

PATRICK E. FLAHAVEN, Secretary of the Senate

Mr. Speaker:

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

H. F. No. 1107, A bill for an act relating to landlord and tenant; authorizing emergency proceeding for loss of essential services; proposing coding for new law in Minnesota Statutes, chapter 566.

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

PATRICK E. FLAHAVEN, Secretary of the Senate

Mr. Speaker:

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

H. F. No. 59, A bill for an act relating to public safety; authorizing bonding for capital improvements; appropriating money to convert a regional treatment center for use as an adult correctional facility and to operate the facility; appropriating money for a variety of correctional and treatment programs; revising and increasing penalties for controlled substance crimes; authorizing increased sentences and juvenile court reference for controlled substance crimes committed within a drug free school or park zone; increasing penalties for a variety of other crimes; providing for life imprisonment without supervised release for persons convicted of first degree murder or a third criminal sexual conduct offense; providing for sex offender treatment programs; providing that an inmate who completes a sex offender treatment program is eligible for an adjustment to the supervised release date; providing for the collection and admissibility of DNA evidence; modifying certain forfeiture provisions; permitting a school-sponsored alcohol awareness program; requiring reporting of newborns with signs of controlled substance exposure and reporting of certain controlled substance use by pregnant women; providing for toxicology testing; requiring an education program to protect unborn children from such prenatal exposure; providing for civil commitment of pregnant women for certain controlled substance use; establishing a community crime prevention grant program; providing a soft body armor reimbursement program; creating a drug abuse prevention resource council; establishing a child protection system study commission; providing for a community resources program for cities of the first class; appropriating money; amending Minnesota Statutes 1988, sections 152.01, subdivision 7, and by adding subdivisions; 152.096, subdivision 1; 152.097, by adding a subdivision; 152.15, subdivision 4a; 152.151; 152.18, subdivision 1; 152.20; 152.21, subdivision 6; 169.09, subdivision 14; 243.05, subdivision 1; 244.05, subdivisions 1, 4, 5, and by adding a subdivision; 244.09, subdivision 5; 253B.02, subdivisions 2 and 10; 256.01, by adding a subdivision; 260.125, subdivision 3; 260.161, subdivision 1; 260.185, subdivision 1; 297D.09, subdivision 1a; 299F.80, subdivision 1; 325D.56, subdivision 2; 340A.701; 340A.702; 526.10; 609.11, subdivisions 7 and 9; 609.185; 609.19; 609.195; 609.205; 609.221; 609.222; 609.223; 609.2231, subdivision 1; 609.255, subdivision 3; 609.2665; 609.267; 609.323, subdivision 1; 609.342, subdivision 2; 609.343, subdivision 2; 609.344, subdivision 2; 609.345, subdivision 2; 609.346; 609.377; 609.445; 609.48, subdivision 4; 609.487, subdivision 4; 609.52; 609.53, subdivisions 1 and 4; 609.5311, subdivision 3; 609.5314, subdivision 1; 609.5315, subdivision 1; 609.576; 609.62, subdivision 2; 609.631, subdivision 2; 609.86, subdivision 3; 611A.038; 624.701; 624.712, subdivision 5; and 626.556, subdivisions 2, 3, and 10; proposing coding for new law in Minnesota Statutes, chapters 116K; 121; 144; 152; 241; 242; 244; 299A; 299C; 466A; 609; 626; 634; and 638; repealing Minnesota Statutes 1988, sections 152.09; 152.15, subdivisions 1, 2, 2a, 2b, 3, and 5; 609.53, subdivisions 1a, 3, and 3a; and 609.55.

The Senate has appointed as such committee:

Mr. Spear; Ms. Peterson, D. C.; Messrs. Luther; Cohen and McGowan.

Said House File is herewith returned to the House.

PATRICK E. FLAHAVEN, Secretary of the Senate

Mr. Speaker:

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

H. F. No. 66, A bill for an act relating to gambling; creating a department of gaming; authorizing a state lottery to be conducted by a department of state lottery; creating a division of inspection and enforcement in the department of public safety and providing for its duties; prescribing penalties; appropriating money; amending Minnesota Statutes 1988, sections 10A.01, subdivision 18; 10A.09, subdivision 1; 15.06, subdivision 1; 15A.081, subdivision 1; 43A.08, subdivision 1a; 240.01, by adding subdivisions; 240.02, subdivisions 1 and 2; 240.04, subdivisions 1, 3, and 7; 240.06, subdivisions 3 and 8; 240.07, subdivision 2; 240.08, subdivision 3; 240.21; 240.28; 340A.410, subdivision 5; 349.12, subdivisions 11, 17, 20, and by adding subdivisions; 349.151, subdivisions 1, 2, 4, and 5; 349.16, subdivisions 3 and 4; 349.161, subdivision 4; 349.162, subdivisions 1, 2, 4, and 5; 349.163; 349.18, subdivision 1; 349.19, subdivisions 5 and 6; 349.212; 349.2121, subdivisions 2, 3, 4, 4a, 6, 7, 8, and 10; 349.2122; 349.2125, subdivisions 1, 2, and 3; 349.2127, subdivision 2; 349.213, subdivision 1; 349.214, subdivision 2; 349.22, subdivisions 1 and 3; 541.20; 541.21; 609.75, subdivision 3; 609.76, subdivision 1; 609.761; 626.05, subdivision 2; 626.13; and 626.84, subdivision 1; proposing coding for new law as Minnesota Statutes, chapters 299K; 349A; and 349B; proposing coding for new law in Minnesota Statutes, chapters 240; 245; and 349; repealing Minnesota Statutes 1988, sections 240.02, subdivision 7; 349.151, subdivisions 3 and 5; 349.161, subdivision 7; 349.164, subdivision 5; 349.171; and 349.22, subdivision 4.

The Senate has appointed as such committee:

Messrs. Lessard, Purfeerst and Knaak, Mrs. Lantry and Ms. Peterson, D. C.

Said House File is herewith returned to the House.

PATRICK E. FLAHAVEN, Secretary of the Senate

Mr. Speaker:

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

H. F. No. 245, A bill for an act relating to environment; exempting generators of small amounts of hazardous waste from administrative regulation; amending Minnesota Statutes 1988, section 116.07, subdivision 2.

The Senate has appointed as such committee:

Messrs. Stumpf, Dahl and Merriam.

Said House File is herewith returned to the House.

PATRICK E. FLAHAVEN, Secretary of the Senate

Mr. Speaker:

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

H. F. No. 761, A bill for an act relating to judgments; providing a reasonable exemption for employee benefits; amending Minnesota Statutes 1988, section 550.37, subdivision 24.

The Senate has appointed as such committee:

Messrs. Frank, Stumpf and Luther.

Said House File is herewith returned to the House.

PATRICK E. FLAHAVEN, Secretary of the Senate

Mr. Speaker:

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

H. F. No. 1016, A bill for an act relating to juvenile justice; authorizing the juvenile court to place juvenile alcohol or controlled substance offenders on probation; authorizing the juvenile court to require the commissioner of public safety to revoke the driver's license or permit of habitual petty offenders or to deny driving privileges to them if they do not have a license or permit; removing

certain limitations on parental liability for thefts by minors; removing a repealer; amending Minnesota Statutes 1988, sections 171.04; 260.195, subdivision 3, and by adding subdivisions; and 332.51, subdivision 3; repealing Laws 1985, chapter 278, section 2.

The Senate has appointed as such committee:

Messrs. Cohen, Spear and Laidig.

Said House File is herewith returned to the House.

PATRICK E. FLAHAVEN, Secretary of the Senate

Mr. Speaker:

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

H. F. No. 1137, A bill for an act relating to metropolitan government; regulating the borrowing authority of the regional transit board; amending Minnesota Statutes 1988, section 473.39, subdivision 1a, and by adding subdivisions.

PATRICK E. FLAHAVEN, Secretary of the Senate

Johnson, A., moved that the House concur in the Senate amendments to H. F. No. 1137 and that the bill be repassed as amended by the Senate.

Johnson, A., moved that the House refuse to concur in the Senate amendments to H. F. No. 1137, that the Speaker appoint a Conference Committee of 3 members of the House, and that the House requests that a like committee be appointed by the Senate to confer on the disagreeing votes of the two houses. The motion prevailed.

Mr. Speaker:

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

S. F. No. 169.

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

PATRICK E. FLAHAVEN, Secretary of the Senate

CONFERENCE COMMITTEE REPORT ON S. F. NO. 169.

A bill for an act relating to motor vehicles; allowing custodial parent of handicapped minor to obtain special license plates for the handicapped; amending Minnesota Statutes 1988, section 168.021, subdivisions 1 and 3.

May 15, 1989

The Honorable Jerome M. Hughes
President of the Senate

The Honorable Robert E. Vanasek
Speaker of the House of Representatives

We, the undersigned conferees for S. F. No. 169, report that we have agreed upon the items in dispute and recommend as follows:

That the House recede from its amendment and that S. F. No. 169 be further amended as follows:

Page 1, line 10, before "When" insert "(a)"

Page 1, line 21, before the period insert "or proof of physical handicap provided for in that section"

Page 1, after line 21, insert:

"(b) The owner of a motor vehicle may apply for and secure a set of special plates for a motor vehicle if:

(1) the owner employs a permanently physically handicapped person who would qualify for special plates under this section; and

(2) the owner furnishes the motor vehicle to the physically handicapped person for the exclusive use of that person in the course of employment."

Page 2, after line 16, insert:

"Sec. 3. Minnesota Statutes 1988, section 169.345, subdivision 2, is amended to read:

Subd. 2. [DEFINITIONS.] For the purpose of this section, "physically handicapped person" means a person who:

(1) because of disability cannot walk without significant risk of falling;

(2) because of disability cannot walk 200 feet without stopping to rest;

(3) because of disability cannot walk without the aid of another person, a walker, a cane, crutches, braces, a prosthetic device, or a wheelchair;

(4) is restricted by a respiratory disease to such an extent that the person's forced (respiratory) expiratory volume for one second, when measured by spirometry, is less than one meter;

(5) has an arterial oxygen tension (PAO₂) of less than 60 mm/hg on room air at rest;

(6) uses portable oxygen; or

(7) has a cardiac condition to the extent that the person's functional limitations are classified in severity as class III or class IV according to standards set by the American Heart Association; or

(8) has lost an arm or a leg and does not have or cannot use an artificial limb.

Sec. 4. Minnesota Statutes 1988, section 169.345, subdivision 2a, is amended to read:

Subd. 2a. [PHYSICIAN'S OR CHIROPRACTOR'S STATEMENT.]

(a) The commissioner shall develop a form for the physician's or chiropractor's statement. The statement must be signed by a licensed physician or chiropractor who certifies that the applicant is a physically handicapped person as defined in subdivision 2. The commissioner may request additional information from the physician or chiropractor if needed to verify the applicant's eligibility. The statement that the applicant is a physically handicapped person must specify whether the disability is permanent or temporary, and if temporary, the opinion of the physician or chiropractor as to the duration of the disability. A physician or chiropractor who fraudulently certifies to the commissioner that a person is a physically handicapped person as defined in subdivision 2, and that the person is entitled to the license plates authorized by section 168.021 or to the certificate authorized by this section, is guilty of a misdemeanor and is subject to a fine of \$500.

(b) The commissioner may waive the requirement of providing a statement of a licensed physician or chiropractor, if the applicant has previously filed with the commissioner a statement of a licensed physician or chiropractor certifying that the applicant has a permanent physical handicap.

Sec. 5. Minnesota Statutes 1988, section 169.345, subdivision 3, is amended to read:

Subd. 3. [IDENTIFYING CERTIFICATE.] (a) The division of driver and vehicle services in the department of public safety shall issue a special identifying certificate for a motor vehicle when a physically handicapped applicant submits a statement of a physician or chiropractor proof of physical handicap under subdivision 2a. The commissioner shall design separate certificates for persons with permanent and temporary disabilities that can be readily distinguished from each other from outside a vehicle at a distance of 25 feet. The certificate is valid for the duration of the person's disability, as specified in the physician's or chiropractor's statement, up to a maximum of six years. A person with a disability of longer duration will be required to renew the certificate for additional periods of time, up to six years each, as specified in the physician's or chiropractor's statement.

(b) When the commissioner is satisfied that a motor vehicle is used primarily for the purpose of transporting physically handicapped persons, the division may issue without charge a special identifying certificate for the vehicle. The operator of a vehicle displaying the certificate has the parking privileges provided in subdivision 1 while the vehicle is in use for transporting physically handicapped persons. The certificate issued to a person transporting physically handicapped persons must be renewed every third year. On application and renewal, the person must present evidence that the vehicle continues to be used for transporting physically handicapped persons.

(c) A certificate must be made of plastic or similar durable material, must be distinct from certificates issued before January 1, 1988, and must bear its expiration date prominently on its face. A certificate issued to a temporarily disabled person must display the date of expiration of the duration of the disability, as determined under paragraph (a). Each certificate must have printed on the back a summary of the parking privileges and restrictions that apply to each vehicle in which it is used. The commissioner may charge a fee of \$5 for issuance or renewal of a certificate, and a fee of \$5 for a duplicate to replace a lost, stolen, or damaged certificate.

Sec. 6. [EFFECTIVE DATE.]

Sections 1 to 5 are effective the day following final enactment."

Amend the title as follows:

Page 1, line 4, after the semicolon insert "allowing second set of handicapped license plates to be issued to physically handicapped person who is furnished a vehicle as part of employment; defining a handicapped person for purposes of parking privileges; allowing

commissioner of public safety to waive requirement of physician's statement in certain circumstances,"

Page 1, line 5, delete "section" and insert "sections" and before the period insert "; and 169.345, subdivisions 2, 2a, and 3"

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

Senate Conferees: MEL FREDERICK, MARILYN M. LANTRY AND A. W. "BILL" DIESSNER.

House Conferees: DEAN HARTLE, PAT BEARD AND HAROLD LASLEY.

Hartle moved that the report of the Conference Committee on S. F. No. 169 be adopted and that the bill be repassed as amended by the Conference Committee. The motion prevailed.

S. F. No. 169, A bill for an act relating to motor vehicles; allowing custodial parent of handicapped minor to obtain special license plates for the handicapped; amending Minnesota Statutes 1988, section 168.021, subdivisions 1 and 3.

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

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

Those who voted in the affirmative were:

Abrams	Dorn	Kahn	Munger	Price
Anderson, G.	Forsythe	Kahis	Murphy	Pugh
Anderson, R.	Frederick	Kelly	Nelson, C.	Quinn
Bauerly	Frerichs	Kelso	Nelson, K.	Redalen
Beard	Girard	Kinkel	Neuenschwander	Reding
Begich	Greenfield	Knickerbocker	O'Connor	Rest
Bennett	Gruenes	Kostohryz	Ogren	Rice
Bertram	Gutknecht	Krueger	Olsen, S.	Richter
Bishop	Hartle	Lasley	Olsen, E.	Rodosovich
Blatz	Hasskamp	Lieder	Olsen, K.	Rukavina
Boo	Haukoos	Limmer	Omann	Runbeck
Brown	Heap	Long	Onnen	Sarna
Burger	Henry	Lynch	Orenstein	Schafer
Carlson, D.	Himle	Macklin	Osthoff	Scheid
Carlson, L.	Hugoson	Marsh	Ostrom	Schreiber
Carruthers	Jacobs	McDonald	Otis	Seaberg
Clark	Janezich	McEachern	Ozment	Segal
Conway	Jaros	McGuire	Pappas	Simoneau
Cooper	Jefferson	McLaughlin	Pauly	Skoglund
Dauner	Jennings	McPherson	Pellow	Solberg
Dawkins	Johnson, A.	Milbert	Pelowski	Sparby
Dempsey	Johnson, R.	Miller	Peterson	Stanius
Dille	Johnson, V.	Morrison	Poppenhagen	Stensma

Sviggum
Swenson
Tjornhom
Tompkins

Trimble
Tunheim
Uphus
Valento

Vellenga
Wagenius
Waitman
Weaver

Welle
Wenzel
Williams
Winter

Wynia
Spk. Vanasek

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

Mr. Speaker:

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

S. F. No. 486.

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

PATRICK E. FLAHAVEN, Secretary of the Senate

CONFERENCE COMMITTEE REPORT ON S. F. NO. 486

A bill for an act relating to juvenile justice; requiring reasonable efforts to prevent placement of children in need of protection or services proceedings; amending duty of juvenile court to ensure placement prevention and family reunification; defining reasonable efforts; clarifying definitions, jurisdiction, and services for Indian children; requiring preference for racial or ethnic heritage for appointment of guardian ad litem; requiring consideration of reasonable efforts in factors determining neglect; requiring that a child be in imminent danger for detention; permitting social services to release for detention; requiring finding of reasonable efforts at detention; and imposing requirements for disposition case plans; amending Minnesota Statutes 1988, sections 260.012; 260.015, subdivisions 11, 13, 14, and by adding subdivisions; 260.111, by adding a subdivision; 260.135, subdivision 2; 260.141; 260.155, subdivisions 4 and 7; 260.165, subdivision 1; 260.171, subdivision 1; 260.172, subdivisions 1 and 4; 260.173, subdivision 2; 260.181, subdivision 2; and 260.191, subdivisions 1a and 1e.

May 15, 1989

The Honorable Jerome M. Hughes
President of the Senate

The Honorable Robert E. Vanasek
Speaker of the House of Representatives

We, the undersigned conferees for S. F. No. 486, report that we have agreed upon the items in dispute and recommend as follows:

That the House recede from its amendment and that S. F. No. 486 be further amended as follows:

Page 2, line 4, after "Act" insert "of 1978"

Page 2, delete lines 32 to 36 and insert:

"(d) This section does not prevent out-of-home placement for treatment of a child with a mental disability when the child's diagnostic assessment or individual treatment plan indicates that appropriate and necessary treatment cannot be effectively provided outside of a residential or inpatient treatment program."

Page 3, line 16, delete "that shall be" and insert "as"

Page 3, line 21, delete "shall be defined consistent with" and insert "has the meaning given in"

Page 4, line 1, after "or" insert "who is"

Page 6, line 4, delete everything after the colon

Page 6, delete lines 5 to 7 and insert:

"(1) whether a person is available who is the same racial or ethnic heritage as the child or, if that is not possible;

(2) whether a person is available who knows and appreciates the child's racial or ethnic heritage."

Page 7, line 16, strike "such" and insert "the"

Page 7, line 19, after "child" insert "into custody"

Page 10, line 33, strike "or"

Page 12, delete lines 21 and 22

Renumber the remaining clauses in sequence

Page 12, after line 31, insert:

"Sec. 21. Minnesota Statutes 1988, section 260.231, subdivision 3, is amended to read:

Subd. 3. The court shall have notice of the time, place, and purpose of the hearing served on the parents, as defined in sections 257.51 to 257.74 or 259.26, subdivision 1, clause (2), and upon the child's grandparent if the child has lived with the grandparent within the

two years immediately preceding the filing of the petition. Notice must be served in the manner provided in sections 260.135 and 260.141, except that personal service shall be made at least ten days before the day of the hearing. Published notice shall be made for three weeks, the last publication to be at least ten days before the day of the hearing; and notice sent by certified mail shall be mailed at least 20 days before the day of the hearing. A parent who consents to the termination of parental rights under the provisions of section 260.221, clause (a), may waive in writing the notice required by this subdivision; however, if the parent is a minor or incompetent the waiver shall be effective only if the parent's guardian ad litem concurs in writing."

Amend the title as follows:

Page 1, line 15, after the semicolon, insert "providing for notice to certain grandparents;"

Page 1, line 22, delete the first "and" and before the period, insert "; and 260.231, subdivision 3"

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

Senate Conferees: LINDA BERGLIN, ALLAN H. SPEAR AND NANCY BRATAAS.

House Conferees: ANN H. REST, ART SEABERG AND KATHLEEN VEL-LENGA.

Rest moved that the report of the Conference Committee on S. F. No. 486 be adopted and that the bill be repassed as amended by the Conference Committee. The motion prevailed.

S. F. No. 486, A bill for an act relating to juvenile justice; requiring reasonable efforts to prevent placement of children in need of protection or services proceedings; amending duty of juvenile court to ensure placement prevention and family reunification; defining reasonable efforts; clarifying definitions, jurisdiction, and services for Indian children; requiring preference for racial or ethnic heritage for appointment of guardian ad litem; requiring consideration of reasonable efforts in factors determining neglect; requiring that a child be in imminent danger for detention; permitting social services to release for detention; requiring finding of reasonable efforts at detention; and imposing requirements for disposition case plans; amending Minnesota Statutes 1988, sections 260.012; 260.015, subdivisions 11, 13, 14, and by adding subdivisions; 260.111, by adding a subdivision; 260.135, subdivision 2; 260.141; 260.155,

subdivisions 4 and 7; 260.165, subdivision 1; 260.171, subdivision 1; 260.172, subdivisions 1 and 4; 260.173, subdivision 2; 260.181, subdivision 2; and 260.191, subdivisions 1a and 1e.

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

The question was taken on the repassage of the bill and the roll was called. There were 131 yeas and 1 nay as follows:

Those who voted in the affirmative were:

Abrams	Frederick	Knickerbocker	Olson, K.	Schafer
Anderson, G.	Frerichs	Kostohryz	Omann	Scheid
Anderson, R.	Girard	Lasley	Onnen	Seaberg
Battaglia	Greenfield	Lieder	Orenstein	Segal
Bauerly	Gruenes	Limmer	Osthoff	Simoneau
Beard	Gutknecht	Long	Ostrom	Solberg
Begich	Hartle	Lynch	Otis	Sparby
Bennett	Hasskamp	Macklin	Ozment	Stanius
Bertram	Haukoos	Marsh	Pappas	Steensma
Bishop	Heap	McDonald	Pauly	Svigum
Blatz	Henry	McEachern	Pellow	Swenson
Boo	Himle	McGuire	Pelowski	Tjornhom
Brown	Hugoson	McLaughlin	Peterson	Tompkins
Burger	Jacobs	McPherson	Poppenhagen	Trimble
Carlson, D.	Janezich	Milbert	Price	Tunheim
Carlson, L.	Jaros	Miller	Pugh	Uphus
Carruthers	Jefferson	Morrison	Quinn	Valento
Clark	Jennings	Munger	Redalen	Vellenga
Conway	Johnson, A.	Murphy	Reding	Wagenius
Cooper	Johnson, R.	Nelson, C.	Rest	Waltman
Dauner	Johnson, V.	Nelson, K.	Rice	Weaver
Dawkins	Kahn	Neuenschwander	Richter	Welle
Dempsey	Kalis	O'Connor	Rodosovich	Wenzel
Dille	Kelly	Ogren	Rukavina	Williams
Dorn	Kelso	Olsen, S.	Runbeck	Winter
Forsythe	Kinkel	Olson, E.	Sarna	Wymia
				Spk. Vanasek

Those who voted in the negative were:

Skoglund

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

Mr. Speaker:

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

S. F. Nos. 530, 564, 38, 470, 481, 499 and 748.

PATRICK E. FLAHAVEN, Secretary of the Senate

FIRST READING OF SENATE BILLS

S. F. No. 530, A bill for an act relating to waste management; defining waste reduction; extending the expiration date of waste advisory councils; authorizing counties to designate waste to landfills; requiring financial reports from landfills; clarifying the limits of political subdivision liability for superfund cleanup at landfills; authorizing the pollution control agency to acquire interests in real estate necessary for superfund; authorizing superfund to reimburse political subdivisions for costs incurred in responding to emergency releases of hazardous materials; making claims for injuries due to petroleum contamination eligible for compensation by the harmful substance compensation fund; authorizing transfer of money from the petroleum tank release cleanup fund; altering the metropolitan council's authority for solid waste planning; raising the solid waste disposal fee in the metropolitan area; clarifying the 1990 ban on disposal of unprocessed waste in the metropolitan area; extending the date until which metalcasters are not liable for payment of solid waste generator fees; requiring a study of solid waste management district legislation; amending Minnesota Statutes 1988, sections 115A.01; 115A.02; 115A.03, by adding a subdivision; 115A.12, subdivision 1; 115A.14, subdivision 2; 115A.46, subdivision 2; 115A.54, subdivision 2a; 115A.80; 115A.81, subdivision 2; 115A.83; 115A.84; 115A.85, subdivision 2; 115A.86, subdivisions 3 and 5; 115A.893; 115A.906, by adding a subdivision; 115A.919; 115A.921; 115A.94, by adding subdivisions; 115B.04, subdivision 4; 115B.17, by adding a subdivision; 115B.20, subdivision 2; 115B.25, subdivisions 1, 2, 7, and by adding subdivisions; 115B.26; 115B.27, subdivision 1; 115B.28, subdivision 2; 115B.29, subdivision 1; 115B.30, subdivision 3; 115B.34, subdivision 2; 115C.08, subdivision 4, and by adding a subdivision; 116.07, by adding a subdivision; 400.04, subdivision 3; 466.04, subdivision 1; 473.149, subdivisions 2d and 2e, and by adding a subdivision; 473.803, by adding a subdivision; 473.811, subdivisions 1a and 4; 473.823, subdivisions 3 and 6; 473.831, subdivision 2; 473.833, subdivision 2a; 473.840, subdivision 2; 473.843, subdivisions 1 and 2; 473.844, subdivision 1a; 473.8441, subdivision 5; 473.845, subdivisions 1 and 2; and 473.848; Laws 1984, chapter 644, section 85, as amended; proposing coding for new law in Minnesota Statutes, chapters 115A and 473; repealing Minnesota Statutes 1988, sections 115A.98; 115B.29, subdivision 2; 473.149, subdivision 2b; 473.803, subdivision 1a; and 473.806.

The bill was read for the first time.

Long moved that S. F. No. 530 and H. F. No. 601, now on Technical General Orders, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 564, A bill for an act relating to natural resources; increasing the amount of levy for the Kanaranzi-Little Rock watershed district administrative fund.

The bill was read for the first time.

Winter moved that S. F. No. 564 and H. F. No. 810, now on Technical General Orders, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 38, A bill for an act relating to taxation; regulating travel trailers; requiring a registration certificate for park trailers; imposing a registration tax on park trailers; requiring owners of unregistered park trailers to pay property tax; imposing motor vehicle excise tax on park trailers; providing that motor vehicle dealers may sell park trailers; amending Minnesota Statutes 1988, sections 168.011, subdivisions 4, 8, 22, and 25; 168.012, subdivisions 8 and 9; 168.013, subdivision 1, and by adding a subdivision; 168.053, subdivision 2; 168.181, subdivision 1; 168.27, subdivision 1; 168A.01, subdivision 21; 169.34; 169.67, subdivision 4; 169.75, subdivisions 1 and 3; 171.01, subdivision 18; 171.02, subdivision 2; and 297B.01, subdivision 5; proposing coding for new law in Minnesota Statutes, chapter 168.

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

S. F. No. 470, A bill for an act relating to environment; regulating municipal wastewater treatment funding; amending Minnesota Statutes 1988, sections 116.18, subdivisions 3a and 3b; 446A.02, subdivision 4; 446A.07, subdivision 8; and 446A.12, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapter 115.

The bill was read for the first time.

Winter moved that S. F. No. 470 and H. F. No. 584, now on General Orders, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 481, A bill for an act relating to state government; financing the beginning farmer loan program; regulating certain administrative duties of the commissioner of finance; permitting certain financial arrangements; amending Minnesota Statutes 1988, sections 16A.065; 16A.27, subdivision 5; 16A.58; 16A.631; 16A.641, subdivision 7; 16A.661, subdivision 7; 16A.85, subdivisions 1 and 3; 41B.19, subdivision 5; 41B.195; 115A.58, subdivisions 1, 3, 4, and 5; 115A.59; 116.16, subdivisions 1, 2, 3, 4, 5, and 9;

116.17, subdivisions 1, 3, and 5; 116.18, subdivisions 1, 4, 5, and 6; 124.42, subdivision 3; 136C.44; 216C.37, subdivision 6; 246.50, subdivision 5; 246.64, subdivision 1; and Laws 1987, chapter 396, article 12, section 10; repealing Minnesota Statutes 1988, sections 84B.08; 85A.04, subdivision 2; 115A.57; 136C.42; 136C.43, subdivisions 1, 2, and 3.

The bill was read for the first time.

Rodosovich moved that S. F. No. 481 and H. F. No. 773, now on Technical General Orders, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 499, A bill for an act relating to transportation; specifying that state airports fund money may be used as state's match of costs of the federal essential air services program; establishing registration classification for recreational aircraft; amending Minnesota Statutes 1988, sections 360.305, subdivision 2; and 360.55, by adding a subdivision.

The bill was read for the first time.

Wagenius moved that S. F. No. 499 and H. F. No. 408, now on General Orders, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 748, A bill for an act relating to human services; establishing state child mortality review panel; authorizing the state to require local reviews; protecting data generated by the review panel as confidential and nondiscoverable; clarifying neglect or endangerment of a child; clarifying provisions of the child abuse reporting act dealing with neglect; requiring the commissioner of health to develop uniform procedures for coroner and medical examiner investigations relating to sudden deaths of infants; amending Minnesota Statutes 1988, sections 256.01, by adding a subdivision; 609.378; 626.556, subdivisions 2 and 10e; and 626.558; proposing coding for new law in Minnesota Statutes, chapter 145.

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

The following Conference Committee Reports were received:

CONFERENCE COMMITTEE REPORT ON H. F. NO. 831

A bill for an act relating to game and fish; Mom Fishing Weekend; season opening date for certain game fish; amending Minnesota

Statutes 1988, sections 97A.445, by adding a subdivision; and 97C.395, subdivision 1.

May 16, 1989

The Honorable Robert E. Vanasek
Speaker of the House of Representatives

The Honorable Jerome M. Hughes
President of the Senate

We, the undersigned conferees for H. F. No. 831, report that we have agreed upon the items in dispute and recommend as follows:

That the Senate recede from its amendments and that H. F. No. 831 be further amended as follows:

Page 1, line 17, before "The" insert "(a)"

Page 2, after line 3, insert:

"(b) The commissioner shall close the season in areas of the state where fish are spawning and closing the season will protect the resource."

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

House Conferees: ANTHONY G. KINKEL, BOB JOHNSON AND DAVE GRUENES.

Senate Conferees: JIM VICKERMAN, BOB LESSARD AND GARY W. LAIDIG.

Kinkel moved that the report of the Conference Committee on H. F. No. 831 be adopted and that the bill be repassed as amended by the Conference Committee. The motion prevailed.

H. F. No. 831, A bill for an act relating to game and fish; Mom Fishing Weekend; season opening date for certain game fish; amending Minnesota Statutes 1988, sections 97A.445, by adding a subdivision; and 97C.395, subdivision 1.

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

The question was taken on the repassage of the bill and the roll was called. There were 131 yeas and 3 nays as follows:

Those who voted in the affirmative were:

Abrams	Frederick	Kostohryz	Onnen	Schreiber
Anderson, G.	Frerichs	Krueger	Orenstein	Seaberg
Anderson, R.	Girard	Lasley	Osthoff	Segal
Battaglia	Greenfield	Lieder	Ostrom	Simoneau
Bauerly	Gruenes	Limmer	Otis	Skoglund
Beard	Gutknecht	Long	Ozment	Soiberg
Begich	Hartle	Lynch	Pappas	Sparby
Bennett	Hasskamp	Macklin	Pauly	Stanius
Bertram	Haukoos	Marsh	Pellow	Steensma
Bishop	Heap	McDonald	Pelowski	Sviggum
Blatz	Henry	McEachern	Peterson	Swenson
Boo	Himle	McGuire	Poppenhagen	Tjornhom
Brown	Hugoson	McLaughlin	Price	Tompkins
Burger	Jacobs	McPherson	Pugh	Trimble
Carlson, D.	Janezich	Milbert	Quinn	Tunheim
Carlson, L.	Jaros	Miller	Redalen	Uphus
Carruthers	Jefferson	Morrison	Reding	Valento
Clark	Jennings	Munger	Rest	Vellenga
Conway	Johnson, A.	Nelson, C.	Rice	Wagenius
Cooper	Johnson, R.	Nelson, K.	Richter	Waltman
Dauner	Johnson, V.	Neuenschwander	Rodosovich	Weaver
Dawkins	Kalis	O'Connor	Rukavina	Welle
Dempsey	Kelly	Ogren	Runbeck	Wenzel
Dille	Kelso	Olson, E.	Sarna	Williams
Dorn	Kinkel	Olson, K.	Schafer	Winter
Forsythe	Knickerbocker	Omann	Scheid	Wynia
				Spk. Vanasek

Those who voted in the negative were:

Kahn Murphy Olsen, S.

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

CONFERENCE COMMITTEE REPORT ON H. F. NO. 1267

A bill for an act relating to Anoka county; permitting the appointment of the auditor, recorder, and treasurer; authorizing the reorganization of county offices.

May 15, 1989

The Honorable Robert E. Vanasek
Speaker of the House of Representatives

The Honorable Jerome M. Hughes
President of the Senate

We, the undersigned conferees for H. F. No. 1267, report that we have agreed upon the items in dispute and recommend as follows:

That the Senate recede from its amendment.

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

House Conferees: JOE QUINN, JOEL JACOBS AND CHARLIE WEAVER.

Senate Conferees: DON FRANK AND RANDOLPH W. PETERSON

Quinn moved that the report of the Conference Committee on H. F. No. 1267 be adopted and that the bill be repassed as amended by the Conference Committee. The motion prevailed.

H. F. No. 1267, A bill for an act relating to Anoka county; permitting the appointment of the auditor, recorder, and treasurer; authorizing the reorganization of county offices.

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

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

Those who voted in the affirmative were:

Abrams	Ferichs	Krueger	Onnen	Seaberg
Anderson, G.	Girard	Lasley	Orenstein	Segal
Anderson, R.	Greenfield	Lieder	Osthoff	Simoneau
Battaglia	Gruenes	Limmer	Ostrom	Skoglund
Bauerly	Gutknecht	Long	Otis	Solberg
Beard	Hartle	Lynch	Ozment	Sparby
Begich	Hasskamp	Macklin	Pappas	Stanius
Bennett	Haukoos	Marsh	Pauly	Steensma
Bertram	Heap	McDonald	Pellow	Sviggum
Bishop	Henry	McEachern	Pelowski	Swenson
Blatz	Himle	McGuire	Peterson	Tjornhom
Boo	Hugoson	McLaughlin	Poppenhagen	Tompkins
Brown	Jacobs	McPherson	Price	Trimble
Burger	Janezich	Milbert	Pugh	Tunheim
Carlson, D.	Jaros	Miller	Quinn	Uphus
Carlson, L.	Jefferson	Morrison	Redalen	Valento
Carruthers	Jennings	Munger	Reding	Vellenga
Clark	Johnson, A.	Murphy	Rest	Wagenius
Conway	Johnson, R.	Nelson, C.	Rice	Waltman
Cooper	Johnson, V.	Nelson, K.	Richter	Weaver
Dauner	Kahn	Neuenschwander	Rodosovich	Welle
Dawkins	Kalis	O'Connor	Rukavina	Wenzel
Dempsey	Kelly	Ogren	Runbeck	Williams
Dille	Kelso	Olsen, S.	Sarna	Winter
Dorn	Kinkel	Olson, E.	Schafer	Wynia
Forsythe	Knickerbocker	Olson, K.	Scheid	Spk. Vanasek
Frederick	Kostohryz	Omann	Schreiber	

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

CONFERENCE COMMITTEE REPORT ON H. F. NO. 472

A bill for an act relating to transportation; motor carriers; increasing maximum length of certain semitrailers; defining mobile cranes and providing for their maximum length; requiring a highway cost allocation study; amending Minnesota Statutes 1988, sections 169.01, by adding a subdivision; 169.81, subdivision 2; and 169.86, subdivision 5.

May 15, 1989

The Honorable Robert E. Vanasek
Speaker of the House of Representatives

The Honorable Jerome M. Hughes
President of the Senate

We, the undersigned conferees for H. F. No. 472, report that we have agreed upon the items in dispute and recommend as follows:

That the Senate recede from its amendments and that H. F. No. 472 be further amended as follows:

Delete everything after the enacting clause and insert:

“Section 1. Minnesota Statutes 1988, section 169.01, is amended by adding a subdivision to read:

Subd. 74. [MOBILE CRANE.] “Mobile crane” means a vehicle (1) not designed or used to transport persons or property, (2) operated only incidentally on the highway and not subject to vehicle registration under chapter 168, and (3) comprising a boom and hoisting mechanism used in the construction industry. Mobile crane does not include a motor vehicle, designed to transport persons or property, to which a boom, hoist, crane, or other machinery has been attached.

Sec. 2. Minnesota Statutes 1988, section 169.81, subdivision 2, is amended to read:

Subd. 2. [LENGTH OF VEHICLES.] (a) No single unit motor vehicle, except mobile cranes which may not exceed 45 48 feet, unladen or with load may exceed a length of 40 feet extreme overall dimensions inclusive of front and rear bumpers, except that the governing body of a city is authorized by permit to provide for the maximum length of a motor vehicle, or combination of motor vehicles, or the number of vehicles that may be fastened together, and which may be operated upon the streets or highways of a city; provided, that the permit may not prescribe a length less than that permitted by state law. A motor vehicle operated in compliance with

the permit on the streets or highways of the city is not in violation of this chapter.

(b) No single semitrailer may have an overall length, exclusive of non-cargo-carrying accessory equipment, including refrigeration units or air compressors, necessary for safe and efficient operation mounted or located on the end of the semitrailer adjacent to the truck or truck-tractor, in excess of 48 feet, except that a single semitrailer may have an overall length in excess of 48 feet but not greater than 53 feet if (1) the distance from the kingpin to the centerline of the rear axle group of the semitrailer does not exceed 41 feet, and (2) if the semitrailer is operated only in a combination of vehicles which does not exceed an overall length of 65 feet. No single trailer may have an overall length inclusive of tow bar assembly and exclusive of rear protective bumpers which do not increase the overall length by more than six inches, in excess of 45 feet. For determining compliance with the provisions of this subdivision, the length of the semitrailer or trailer must be determined separately from the overall length of the combination of vehicles.

(c) No semitrailer or trailer used in a three-vehicle combination may have an overall length, exclusive of non-cargo-carrying accessory equipment, including refrigeration units or air compressors, necessary for safe and efficient operation mounted or located on the end of the semitrailer or trailer adjacent to the truck or truck-tractor, and further exclusive of the tow bar assembly, in excess of 28½ feet. The commissioner may not grant a permit authorizing the movement, in a three-vehicle combination, of a semitrailer or trailer that exceeds 28½ feet, except that the commissioner may renew a permit that was granted before April 16, 1984, for the movement of a semitrailer or trailer that exceeds the length limitation in this paragraph.

Sec. 3. Minnesota Statutes 1988, section 169.86, subdivision 5, is amended to read:

Subd. 5. [FEES.] The commissioner, with respect to highways under the commissioner's jurisdiction, may charge a fee for each permit issued. All such fees for permits issued by the commissioner of transportation shall be deposited in the state treasury and credited to the trunk highway fund. Except for those annual permits for which the permit fees are specified elsewhere in this chapter, the fees shall be:

(a) \$15 for each single trip permit.

(b) \$36 for each job permit. A job permit may be issued for like loads carried on a specific route for a period not to exceed two months. "Like loads" means loads of the same product, weight and dimension.

(c) \$60 for an annual permit to be issued for a period not to exceed 12 consecutive months. Annual permits may be issued for:

(1) refuse compactor vehicles that carry a gross weight up to but not in excess of 22,000 pounds on a single rear axle and not in excess of 38,000 pounds on a tandem rear axle;

(2) motor vehicles used to alleviate a temporary crisis adversely affecting the safety or well-being of the public;

(3) motor vehicles which travel on interstate highways and carry loads authorized under subdivision 1a;

(4) motor vehicles operating with gross weights authorized under section 169.825, subdivision 11, paragraph (a), clause (3).

(d) \$120 for an oversize annual permit to be issued for a period not to exceed 12 consecutive months. Annual permits may be issued for:

(1) ~~truck~~ mobile cranes;

(2) construction equipment, machinery, and supplies;

(3) manufactured homes;

(4) farm equipment when the movement is not made according to the provisions of section 169.80, subdivision 1, paragraphs (a) to (f);

(5) double-deck buses;

(6) commercial boat hauling.

(e) for vehicles which have axle weights exceeding the weight limitations of section 169.825, an additional cost added to the fees listed above. The additional cost is equal to the product of the distance traveled times the sum of the overweight axle group cost factors shown in the following chart:

Overweight Axle Group Cost Factors

Weight (pounds) exceeding weight limi- tations on axles	Cost Per Mile For Each Group Of:		
	Two consec- utive axles spaced within 8 feet or less	Three consec- utive axles spaced within 9 feet or less	Four consec- utive axles spaced with- in 14 feet or less
0-2,000	.100	.040	.036

2,001-4,000	.124	.050	.044
4,001-6,000	.150	.062	.050
6,001-8,000	Not permitted	.078	.056
8,001-10,000	Not permitted	.094	.070
10,001-12,000	Not permitted	.116	.078
12,001-14,000	Not permitted	.140	.094
14,001-16,000	Not permitted	.168	.106
16,001-18,000	Not permitted	.200	.128
18,001-20,000	Not permitted	Not permitted	.140
20,001-22,000	Not permitted	Not permitted	.168

The amounts added are rounded to the nearest cent for each axle or axle group. The additional cost does not apply to paragraph (c), clauses (1) and (3).

(f) As an alternative to paragraph (e), an annual permit may be issued for overweight, or oversize and overweight, construction equipment, machinery, and supplies. The fees for the permit are as follows:

Gross Weight (pounds) of vehicle	Annual Permit Fee
90,000 or less	\$200
90,001-100,000	\$300
100,001-110,000	\$400
110,001-120,000	\$500
120,001-130,000	\$600
130,001-140,000	\$700
140,001-145,000	\$800

If the gross weight of the vehicle is more than 145,000 pounds the permit fee is determined under paragraph (e).

(g) for vehicles which exceed the width limitations set forth in section 169.80 by more than 72 inches, an additional cost equal to \$120 added to the amount in paragraph (a) when the permit is issued while seasonal load restrictions pursuant to section 169.87 are in effect.

Sec. 4. Minnesota Statutes 1988, section 221.022, is amended to read:

221.022 [METROPOLITAN TRANSIT COMMISSION; EXCEPTION.]

The powers granted to the board under sections 221.011 to 221.296 do not include the power to regulate any service or vehicles operated by the metropolitan transit commission or to regulate passenger transportation service provided under contract to the department. A provider of passenger transportation service under contract to the department may not provide charter service without first having obtained a permit to operate as a charter carrier.

Sec. 5. Minnesota Statutes 1988, section 221.025, is amended to read:

221.025 [EXEMPTIONS.]

Except as provided in sections 221.031 and 221.033, the provisions of this chapter do not apply to the intrastate transportation described below:

(a) the transportation of students to or from school or school activities in a school bus inspected and certified under section 169.451;

(b) the transportation of rubbish as defined in section 443.27;

(c) a commuter van as defined in section 221.011, subdivision 27;

(d) authorized emergency vehicles as defined in section 169.01, subdivision 5, including ambulances, and tow trucks when picking up and transporting disabled or wrecked motor vehicles and when carrying proper and legal warning devices;

(e) the transportation of grain samples under conditions prescribed by the board;

(f) the delivery of agricultural lime;

(g) the transportation of dirt and sod within an area having a 50-mile radius from the home post office of the person performing the transportation;

(h) a person while exclusively engaged in the transportation of sand, gravel, bituminous asphalt mix, concrete ready mix, concrete blocks or tile, or crushed rock to or from the point of loading or a place of gathering within an area having a 50-mile radius from that

person's home post office or a 50-mile radius from the site of construction or maintenance of public roads and streets;

(i) the transportation of pulpwood, cordwood, mining timber, poles, posts, decorator evergreens, wood chips, sawdust, shavings, and bark from the place where the products are produced to the point where they are to be used or shipped;

(j) a person while engaged exclusively in transporting fresh vegetables from farms to canneries or viner stations, from viner stations to canneries, or from canneries to canneries during the harvesting, canning, or packing season, or transporting potatoes, sugar beets, wild rice, or rutabagas from the field of production to the first place of delivery or unloading, including a processing plant, warehouse, or railroad siding;

(k) a person engaged in transporting property or freight, other than household goods and petroleum products in bulk, entirely within the corporate limits of a city or between contiguous cities except as provided in section 221.296;

(l) the transportation of unprocessed dairy products in bulk within an area having a 100-mile radius from the home post office of the person providing the transportation;

(m) a person engaged in transporting agricultural, horticultural, dairy, livestock, or other farm products within an area having a 25-mile radius from the person's home post office and the carrier may transport other commodities within the 25-mile radius if the destination of each haul is a farm;

(n) a person providing limousine service that is not regular route service in a passenger automobile that is not a van, and that has a seating capacity, excluding the driver, of not more than 12 persons.;

(o) passenger transportation service that is not charter service and that is under contract to and with operating assistance from the department.

Sec. 6. [COST ALLOCATION STUDY.]

Subdivision 1. [STUDY REQUIRED.] The commissioner of transportation shall contract with a qualified and impartial consultant to conduct a study of how the costs of state and local highways in Minnesota, including costs and revenues attributable to federal aid programs, are allocated among users. This study shall:

(1) determine the costs of designing, constructing, administering, and maintaining state and local highways in Minnesota;

(2) determine the extent to which those costs are attributable to various classes of vehicles using those highways;

(3) determine the extent to which various classes of vehicles contribute revenue, including federal highway user taxes, for the design, construction, administration, and maintenance of those highways; and

(4) recommend changes in highway financing which would make the payments of various classes of vehicles for the design, construction, administration, and maintenance of state and local highways more nearly equal the costs those classes impose on those highways.

The commissioner shall regularly consult with the commissioner's motor carrier advisory board on the design of the request for proposals for the study, the selection of the consultant to perform the study, and the periodic review and evaluation of the study.

Subd. 2. [REPORT.] The commissioner shall report the results of the study to the chairs of the senate and house committees on transportation not later than October 1, 1990."

Delete the title and insert:

"A bill for an act relating to transportation; motor carriers; increasing maximum length of certain semitrailers; defining mobile cranes and providing for their maximum length; deregulating persons who provide passenger transportation service under contract to and with assistance from the department of transportation; requiring a highway cost allocation study; amending Minnesota Statutes 1988, sections 169.01, by adding a subdivision; 169.81, subdivision 2; 169.86, subdivision 5; 221.022; and 221.025."

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

House Conferees: HENRY J. KALIS, CONNIE MORRISON AND HAROLD LASLEY.

Senate Conferees: CLARENCE M. PURFEERST, MEL FREDERICK AND GARY M. DECramer.

Kalis moved that the report of the Conference Committee on H. F. No. 472 be adopted and that the bill be repassed as amended by the Conference Committee. The motion prevailed.

H. F. No. 472, A bill for an act relating to transportation; motor

carriers; increasing maximum length of certain semitrailers; defining mobile cranes and providing for their maximum length; requiring a highway cost allocation study; amending Minnesota Statutes 1988, sections 169.01, by adding a subdivision; 169.81, subdivision 2; and 169.86, subdivision 5.

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

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

Those who voted in the affirmative were:

Abrams	Frerichs	Krueger	Onnen	Seaberg
Anderson, G.	Girard	Lasley	Orenstein	Segal
Anderson, R.	Greenfield	Lieder	Osthoff	Simoneau
Battaglia	Gruenes	Limmer	Ostrom	Skoglund
Bauerly	Gutknecht	Long	Otis	Solberg
Beard	Hartle	Lynch	Ozment	Sparby
Begich	Hasskamp	Macklin	Pappas	Stanisus
Bennett	Haukoos	Marsh	Pauly	Steensma
Bertram	Heap	McDonald	Pellow	Swiggum
Bishop	Henry	McEachern	Pelowski	Swenson
Blatz	Himle	McGuire	Peterson	Tjornhom
Boo	Hugoson	McLaughlin	Poppenhagen	Tompkins
Brown	Jacobs	McPherson	Price	Trimble
Burger	Janezich	Milbert	Pugh	Tunheim
Carlson, D.	Jaros	Miller	Quinn	Uphus
Carlson, L.	Jefferson	Morrison	Redalen	Valento
Carruthers	Jennings	Munger	Reding	Vellenga
Clark	Johnson, A.	Murphy	Rest	Wagenius
Conway	Johnson, R.	Nelson, C.	Rice	Waltman
Cooper	Johnson, V.	Nelson, K.	Richter	Weaver
Dauner	Kahn	Neuenschwander	Rodosovich	Welle
Dawkins	Kalis	O'Connor	Rukavina	Wenzel
Dempsey	Kelly	Ogren	Runbeck	Williams
Dille	Kelso	Olsen, S.	Sarna	Winter
Dorn	Kinkel	Olson, E.	Schafer	Wynia
Forsythe	Knickerbocker	Olson, K.	Scheid	Spk. Vanasek
Frederick	Kostohryz	Omann	Schreiber	

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

ANNOUNCEMENT BY THE SPEAKER

The Speaker announced the appointment of the following members of the House to a Conference Committee on H. F. No. 1137:

Johnson, A.; McLaughlin and Olsen, S.

CONSIDERATION UNDER RULE 1.10

Pursuant to rule 1.10, Anderson, G., requested immediate consid-

eration of H. F. Nos. 661, 354 and 624; S. F. Nos. 353, 299 and 232; and H. F. No. 1532.

H. F. No. 661 was reported to the House.

Kahn moved to amend H. F. No. 661, the third engrossment, as follows:

Page 6, delete line 1, and insert "deposited in the state treasury and credited to the general fund."

Page 6, line 25, delete "credited"

Page 6, delete line 26, and insert "deposited in the state treasury and credited to the general fund."

Page 9, line 20, delete "\$270,000" and insert "\$265,000"

Page 9, lines 28 and 33, delete "infectious waste account" and insert "general fund"

Page 10, delete lines 3 to 5

The motion prevailed and the amendment was adopted.

H. F. No. 661, A bill for an act relating to pollution; regulating the disposal of infectious and pathological wastes; providing for penalties for violation; appropriating money; amending Minnesota Statutes 1988, section 609.671, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapter 116.

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	Brown	Dorn	Henry	Kalis
Anderson, G.	Burger	Forsythe	Himle	Kelly
Anderson, R.	Carlson, D.	Frederick	Hugoson	Kelso
Battaglia	Carlson, L.	Frerichs	Jacobs	Kinkel
Bauerly	Carruthers	Girard	Janezich	Knickerbocker
Beard	Clark	Greenfield	Jaros	Kostohryz
Begich	Conway	Gruenes	Jefferson	Krueger
Bennett	Cooper	Gutknecht	Jennings	Lasley
Bertram	Dauner	Hartle	Johnson, A.	Lieder
Bishop	Dawkins	Hasskamp	Johnson, R.	Limmer
Blatz	Dempsey	Haukoos	Johnson, V.	Long
Boo	Dille	Heap	Kahn	Lynch

Macklin	O'Connor	Pelowski	Schafer	Trimble
Marsh	Ogren	Peterson	Scheid	Tunheim
McDonald	Olsen, S.	Poppenhagen	Schreiber	Uphus
McEachern	Olson, E.	Price	Seaberg	Valento
McGuire	Olson, K.	Pugh	Segal	Vellenga
McLaughlin	Omann	Quinn	Simoneau	Wagenius
McPherson	Onnen	Redalen	Skoglund	Waltman
Milbert	Orenstein	Reding	Solberg	Weaver
Miller	Osthoff	Rest	Sparby	Welle
Morrison	Ostrom	Rice	Stanius	Wenzel
Munger	Otis	Richter	Steensma	Williams
Murphy	Ozment	Rodosovich	Sviggum	Winter
Nelson, C.	Pappas	Rukavina	Swenson	Wynia
Nelson, K.	Pauly	Runbeck	Tjornhom	Spk. Vanasek
Neuenschwander	Pellow	Sarna	Tompkins	

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

The Speaker called Rodosovich to the Chair.

H. F. No. 354, A bill for an act relating to elections; providing for handicap access to precinct caucuses and party conventions; providing for interpreters at precinct caucuses and party conventions; making convention and caucus materials available to the visually impaired; appropriating money; amending Minnesota Statutes 1988, sections 202A.13; and 202A.15, subdivision 2; proposing coding for new law in Minnesota Statutes, chapter 202A.

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	Dempsey	Johnson, A.	McPherson	Pauly
Anderson, G.	Dille	Johnson, R.	Milbert	Pellow
Anderson, R.	Dorn	Johnson, V.	Miller	Pelowski
Battaglia	Forsythe	Kahn	Morrison	Peterson
Bauerly	Frederick	Kalis	Munger	Poppenhagen
Beard	Frerichs	Kelly	Murphy	Price
Begich	Girard	Kelso	Nelson, C.	Pugh
Bennett	Greenfield	Kinkel	Nelson, K.	Quinn
Bertram	Gruenes	Knickerbocker	Neuenschwander	Redalen
Bishop	Gutknecht	Kostohryz	O'Connor	Reding
Blatz	Hartle	Krueger	Ogren	Rest
Boo	Hasskamp	Lasley	Olsen, S.	Rice
Brown	Haukoos	Lieder	Olson, E.	Richter
Burger	Heap	Limmer	Olson, K.	Rodosovich
Carlson, D.	Henry	Long	Omann	Rukavina
Carlson, L.	Himle	Lynch	Onnen	Runbeck
Carruthers	Hugoson	Macklin	Orenstein	Sarna
Clark	Jacobs	Marsh	Osthoff	Schafer
Conway	Janezich	McDonald	Ostrom	Scheid
Cooper	Jaros	McEachern	Otis	Schreiber
Dauner	Jefferson	McGuire	Ozment	Seaberg
Dawkins	Jennings	McLaughlin	Pappas	Segal

Simoneau
Skoglund
Solberg
Sparby
Stanius

Steensma
Swiggum
Swenson
Tjornhom
Tompkins

Trimble
Tunheim
Uphus
Valento
Vellenga

Wagenius
Waltman
Weaver
Welle
Wenzel

Williams
Winter
Wynia
Spk. Vanasek

The bill was passed and its title agreed to.

Anderson, R., was excused while in conference.

H. F. No. 624 was reported to the House.

Price moved to amend H. F. No. 624, the second engrossment, as follows:

Page 16, line 5, delete "or"

Page 16, after line 5, insert:

"(14) give an appraisal in any circumstances where the appraiser has a conflict of interest, as determined under rules adopted by the commissioner; or"

Page 16, line 6, delete "14" and insert "15"

The motion prevailed and the amendment was adopted.

H. F. No. 624, A bill for an act relating to commerce; regulating real estate appraisers; creating the real estate appraiser advisory board; providing for membership, compensation, powers, and duties; providing licensing and education requirements; regulating the issuance, renewal, suspension, and revocation of licenses; providing fees; prescribing penalties; appropriating money; proposing coding for new law as Minnesota Statutes, chapter 82B.

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 16 nays as follows:

Those who voted in the affirmative were:

Abrams
Anderson, G.
Battaglia
Bauerly
Beard
Begich

Bennett
Bertram
Bishop
Boo
Burger
Carlson, D.

Carlson, L.
Carruthers
Clark
Conway
Cooper
Dauner

Dawkins
Dempsey
Dille
Dorn
Forsythe
Frederick

Frerichs
Girard
Greenfield
Hartle
Hasskamp
Heap

Henry	Krueger	Olsen, S.	Reding	Swenson
Himle	Lasley	Olson, E.	Rest	Tompkins
Hugoson	Lieder	Omann	Rice	Trimble
Jacobs	Long	Onnen	Richter	Tunheim
Janezich	Lynch	Orenstein	Rodosovich	Uphus
Jaros	Macklin	Osthoff	Rukavina	Valento
Jefferson	Marsh	Ostrom	Runbeck	Vellenga
Jennings	McEachern	Otis	Sarna	Wagenius
Johnson, A.	McGuire	Ozment	Scheid	Weaver
Johnson, R.	McLaughlin	Pappas	Schreiber	Welle
Johnson, V.	Morrison	Pauly	Seaberg	Wenzel
Kahn	Munger	Pellow	Segal	Williams
Kalis	Murphy	Pelowski	Simoneau	Winter
Kelly	Nelson, C.	Peterson	Skoglund	Wynia
Kelso	Nelson, K.	Poppenhagen	Solberg	Spk. Vanasek
Kinkel	Neuenschwander	Price	Sparby	
Knickerbocker	O'Connor	Quinn	Stanius	
Kostohryz	Ogren	Redalen	Steenasma	

Those who voted in the negative were:

Blatz	Haukoos	Milbert	Schafer
Brown	Limmer	Miller	Sviggum
Gruenes	McDonald	Olson, K.	Tjornhom
Gutknecht	McPherson	Pugh	Waltman

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

S. F. No. 353 was reported to the House.

Jefferson moved to amend S. F. No. 353, as follows:

Page 1, line 12, after "checks" insert a comma.

Page 1, line 13, delete "and" and after "drafts" insert a comma and delete "or selling"

Page 5, line 14, after the period insert "However, a currency exchange may act as agent for the issuer of money orders or travelers' checks."

The motion prevailed and the amendment was adopted.

S. F. No. 353, A bill for an act relating to commerce; regulating currency exchanges; requiring currency exchanges to be licensed by the commissioner of commerce; requiring charges to be reasonable; appropriating money; proposing coding for new law as Minnesota Statutes, chapter 53A.

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

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

Those who voted in the affirmative were:

Abrams	Girard	Lasley	Orenstein	Segal
Anderson, G.	Greenfield	Lieder	Osthoff	Simoneau
Battaglia	Gruenes	Limmer	Ostrom	Skoglund
Bauerly	Gutknecht	Long	Otis	Solberg
Beard	Hartle	Lynch	Ozment	Sparby
Begich	Hasskamp	Macklin	Pappas	Stanis
Bennett	Haukoos	Marsh	Pauly	Steensma
Bertram	Heap	McDonald	Pellow	Swiggum
Bishop	Henry	McEachern	Pelowski	Swenson
Blatz	Himle	McGuire	Peterson	Tjornhom
Boo	Hugoson	McLaughlin	Poppenhagen	Tompkins
Brown	Jacobs	McPherson	Price	Trimble
Burger	Janezich	Milbert	Pugh	Tunheim
Carlson, D.	Jaros	Miller	Quinn	Uphus
Carlson, L.	Jefferson	Morrison	Redalen	Valento
Carruthers	Jennings	Munger	Reding	Vellenga
Clark	Johnson, A.	Murphy	Rest	Wagenius
Conway	Johnson, R.	Nelson, C.	Rice	Waltman
Cooper	Johnson, V.	Nelson, K.	Richter	Weaver
Dauner	Kahn	Neuenschwander	Rodosovich	Welle
Dawkins	Kalis	O'Connor	Rukavina	Wenzel
Dempsey	Kelly	Ogren	Runbeck	Williams
Dille	Kelso	Olsen, S.	Sarna	Winter
Dorn	Kinkel	Olsen, E.	Schafer	Wynia
Forsythe	Knickerbocker	Olson, K.	Scheid	Spk. Vanasek
Frederick	Kostohryz	Omam	Schreiber	
Frerichs	Krueger	Onnen	Seaberg	

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

S. F. No. 299 was reported to the House.

Rukavina moved to amend S. F. No. 299, as follows:

Delete everything after the enacting clause and insert:

“Section 1. Minnesota Statutes 1988, section 97A.065, is amended by adding a subdivision to read:

Subd. 5. [RESTITUTION FOR WILD ANIMALS.] Money collected from restitution under section 2 for wild animals killed, injured, or possessed in violation of the game and fish laws must be used by the commissioner for replacement, propagation, or protection of wild animals.

Sec. 2. [97A.341] [RESTITUTION FOR WILD ANIMALS ILLEGALLY TAKEN.]

Subdivision 1. [LIABILITY FOR RESTITUTION.] A person who kills, injures, or possesses a wild animal in violation of the game and

fish laws is liable to the state for the value of the wild animal as provided in this section. Species afforded protection include members of the following groups as defined by statute or rule: game fish, game birds, big game, small game, fur-bearing animals, minnows, and threatened and endangered animal species. Other animal species may be added by order of the commissioner as determined after public meetings and with the approval of the chairs of the environment and natural resources committees in the senate and house of representatives.

Subd. 2. [ARREST AND CHARGING PROCEDURE.] (a) An enforcement officer who arrests a person for killing, injuring, or possessing a wild animal in violation of the game and fish laws must describe the number, species, and restitution value of wild animals illegally killed, injured, or possessed on the warrant or the notice to appear in court.

(b) As part of the charge against a person arrested for killing, injuring, or possessing a wild animal in violation of the game and fish laws, the prosecuting attorney must include a demand that restitution be made to the state for the value of the wild animal killed, injured, or possessed. The demand for restitution is in addition to the criminal penalties otherwise provided for the violation.

Subd. 3. [SENTENCING PROCEDURE.] If a person is convicted of or pleads guilty to killing, injuring, or possessing a wild animal in violation of the game and fish laws, the court must require the person to pay restitution to the state for replacement of the wild animal as part of the sentence or state in writing why restitution was not imposed. The court may consider the economic circumstances of the person and, in lieu of monetary restitution, order the person to perform conservation work representing the amount of restitution that will aid the propagation of wild animals. If the court does not order a person to pay restitution, the court administrator must send a copy of the court order to the commissioner.

Subd. 4. [AMOUNT OF RESTITUTION.] The amount of restitution shall be determined by the court by a preponderance of the evidence. In determining the amount of restitution, the court must consider the value of the wild animal under section 3.

Subd. 5. [RESTITUTION CREDITED TO GAME AND FISH FUND.] The court administrator shall forward restitution collected under this section to the commissioner of finance and the commissioner shall credit all money forwarded to the game and fish fund in the state treasury.

Sec. 3. [97A.345] [RESTITUTION VALUE OF WILD ANIMALS.]

(a) The commissioner may, by rules adopted under chapter 14,

prescribe the dollar value to the state of species of wild animals. The value may reflect the value to other persons to legally take the wild animal, the replacement cost, or the intrinsic value to the state of the wild animals. Species of wild animals with similar values may be grouped together.

(b) The value of a wild animal under the rules adopted by the commissioner is prima facie evidence of a wild animal's value under section 2.

(c) The commissioner shall report annually to the legislature the amount of restitution collected under section 2 and the manner in which the funds were expended.

Sec. 4. [EFFECTIVE DATE.]

Sections 1 and 2 are effective November 1, 1989, and apply to game and fish law violations committed on or after that date. Section 3 is effective the day after final enactment."

Delete the title and insert:

"A bill for an act relating to game and fish; providing for restitution for wild animals that are illegally killed or injured; restricting expenditures from restitution to replacement and propagation of wild animals illegally killed or injured; amending Minnesota Statutes 1988, section 97A.065, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapter 97A."

The motion prevailed and the amendment was adopted.

S. F. No. 299, A bill for an act relating to game and fish; providing for restitution for wild animals that are illegally killed or injured; providing for civil penalties for wild animals killed or injured; restricting expenditures from restitution to replacement and propagation of wild animals illegally killed or injured; amending Minnesota Statutes 1988, section 97A.065, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapter 97A.

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

The question was taken on the passage of the bill and the roll was called. There were 125 yeas and 3 nays as follows:

Those who voted in the affirmative were:

Abrams	Bauerly	Bennett	Blatz	Burger
Anderson, G.	Beard	Bertram	Boo	Carlson, D.
Battaglia	Begich	Bishop	Brown	Carlson, L.

Carruthers	Jacobs	McGuire	Ozment	Skoglund
Clark	Janezich	McLaughlin	Pappas	Solberg
Cooper	Jaros	McPherson	Pellow	Sparby
Dauner	Jefferson	Milbert	Pelowski	Stanius
Dawkins	Jennings	Miller	Peterson	Steensma
Dempsey	Johnson, A.	Morrison	Poppenhagen	Sviggum
Dille	Johnson, V.	Munger	Price	Swenson
Dorn	Kahn	Murphy	Pugh	Tjornhom
Forsythe	Kalis	Nelson, C.	Quinn	Tompkins
Frederick	Kelly	Nelson, K.	Reding	Trimble
Frerichs	Kinkel	Neuenschwander	Rest	Tunheim
Girard	Knickerbocker	O'Connor	Rice	Uphus
Greenfield	Kostohryz	Ogren	Rodosovich	Valento
Gruenes	Lasley	Olsen, S.	Rukavina	Vellenga
Gutknecht	Lieder	Olson, E.	Runbeck	Wagenius
Hartle	Limmer	Olson, K.	Sarna	Waltman
Hasskamp	Long	Omam	Schafer	Weaver
Haukoos	Lynch	Onnen	Scheid	Welle
Heap	Macklin	Orenstein	Schreiber	Wenzel
Henry	Marsh	Osthoff	Seaberg	Winter
Himle	McDonald	Ostrom	Segal	Wynia
Hugoson	McEachern	Otis	Simoneau	Spk. Vanasek

Those who voted in the negative were:

Johnson, R. Redalen Richter

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

S. F. No. 232, A bill for an act relating to corporations; providing for the simplification of certain filings made with the office of the secretary of state; changing the recipients of certain notices; modifying the definition of address to include zip codes; appropriating money; amending Minnesota Statutes 1988, sections 302A.011, subdivision 3; 302A.123, subdivision 1; 302A.821, subdivision 1; 303.02, subdivision 5; 303.10, subdivision 2; 303.13, subdivision 2; 303.14, subdivision 1; and 303.17, subdivision 4; proposing coding for new law in Minnesota Statutes, chapter 5.

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

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

Those who voted in the affirmative were:

Abrams	Brown	Dille	Haukoos	Johnson, R.
Anderson, G.	Burger	Dorn	Heap	Johnson, V.
Battaglia	Carlson, D.	Forsythe	Henry	Kahn
Bauerly	Carlson, L.	Frederick	Himle	Kalis
Beard	Carruthers	Frerichs	Hugoson	Kelly
Begich	Clark	Girard	Jacobs	Kelso
Bennett	Conway	Greenfield	Janezich	Kinkel
Bertram	Cooper	Gruenes	Jaros	Knickerbocker
Bishop	Dauner	Gutknecht	Jefferson	Kostohryz
Blatz	Dawkins	Hartle	Jennings	Krueger
Boo	Dempsey	Hasskamp	Johnson, A.	Lasley

Lieder	Nelson, C.	Pauly	Sarna	Trimble
Limmer	Nelson, K.	Pellow	Schafer	Tunheim
Long	Neuenschwander	Pelowski	Scheid	Uphus
Lynch	O'Connor	Peterson	Schreiber	Valento
Macklin	Ogren	Poppenhagen	Seaberg	Vellenga
Marsh	Olsen, S.	Price	Segal	Wagenius
McDonald	Olson, E.	Pugh	Simoneau	Waltman
McEachern	Olson, K.	Quinn	Skoglund	Weaver
McGuire	Omann	Redalen	Solberg	Welle
McLaughlin	Onnen	Reding	Sparby	Wenzel
McPherson	Orenstein	Rest	Stanius	Williams
Milbert	Osthoff	Rice	Steensma	Winter
Miller	Ostrom	Richter	Sviggum	Wynia
Morrison	Otis	Rodosovich	Swenson	Spk. Vanasek
Munger	Ozment	Rukavina	Tjornhom	
Murphy	Pappas	Runbeck	Tompkins	

The bill was passed and its title agreed to.

H. F. No. 1532 was reported to the House.

Ogren, Dawkins, Boo and Stanius moved to amend H. F. No. 1532, the third engrossment, as follows:

Page 9, after line 35, insert:

“Sec. 8. [OIL OVERCHARGE MONEY.]

Money received after the effective date of this section as a result of litigation or settlements of alleged violations of federal petroleum pricing regulations that is not otherwise dedicated by court order must be allocated one-half to energy conservation projects that directly serve low-income Minnesotans for cost effective weatherization and other conservation measures including, but not limited to, furnace retrofits. Money received under this section must be appropriated by law.”

Renumber the sections in sequence

Correct internal references accordingly

Amend the title accordingly

A roll call was requested and properly seconded.

The question was taken on the Ogren et al amendment and the roll was called. There were 96 yeas and 32 nays as follows:

Those who voted in the affirmative were:

Battaglia	Beard	Bennett	Boo	Carlson, D.
Bauerly	Beigh	Bertram	Brown	Carlson, L.

Carruthers	Johnson, A.	McPherson	Pelowski	Skoglund
Clark	Johnson, R.	Munger	Peterson	Solberg
Conway	Johnson, V.	Murphy	Price	Sparby
Cooper	Kalis	Nelson, C.	Pugh	Stanius
Dauner	Kelly	Nelson, K.	Quinn	Steenma
Dawkins	Kelso	Neuenschwander	Redalen	Sviggum
Dille	Kinkel	O'Connor	Reding	Swenson
Dorn	Kostohryz	Ogren	Rest	Tjornhom
Greenfield	Krueger	Olson, E.	Rice	Trimble
Gruenes	Lasley	Omann	Rodosovich	Uphus
Hasskamp	Lieder	Onnen	Rukavina	Valento
Haukoos	Long	Orenstein	Runbeck	Vellenga
Jacobs	Lynch	Otis	Sarna	Wagenius
Janezich	Macklin	Ozment	Schafer	Welle
Jaros	McEachern	Pappas	Seaberg	Wenzel
Jefferson	McGuire	Pauly	Segal	Williams
Jennings	McLaughlin	Pellow	Simoneau	Winter
				Spk. Vanasek

Those who voted in the negative were:

Abrams	Gutknecht	Limmer	Olson, K.	Tompkins
Bishop	Hartle	Marsh	Osthoff	Tunheim
Burger	Heap	McDonald	Ostrom	Waltman
Dempsey	Henry	Milbert	Poppenhagen	Weaver
Forsythe	Himle	Miller	Richter	
Frerichs	Hugoson	Morrison	Scheid	
Girard	Knuckerbocker	Olsen, S.	Schreiber	

The motion prevailed and the amendment was adopted.

H. F. No. 1532, A bill for an act relating to utilities; low-income energy needs; designating the department of public service as the agency responsible for coordinating energy policy for low-income Minnesotans; requiring the department to gather certain information on low-income energy programs; appropriating money; amending Minnesota Statutes 1988, sections 216B.241, subdivisions 1 and 2; 216C.02, subdivision 1; 216C.10; 216C.11; and 268.37, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapter 216B.

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

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

Those who voted in the affirmative were:

Abrams	Blatz	Cooper	Greenfield	Hugoson
Anderson, G.	Boo	Dauner	Gruenes	Jacobs
Battaglia	Brown	Dawkins	Gutknecht	Janezich
Bauerly	Burger	Dempsey	Hartle	Jaros
Beard	Carlson, D.	Dille	Hasskamp	Jefferson
Begich	Carlson, L.	Dorn	Haukoos	Jennings
Bennett	Carruthers	Forsythe	Heap	Johnson, A.
Bertram	Clark	Frerichs	Henry	Johnson, R.
Bishop	Conway	Girard	Himle	Johnson, V.

Kahn	McGuire	Onnen	Rest	Sviggum
Kalis	McLaughlin	Orenstein	Richter	Swenson
Kelly	McPherson	Osthoff	Rodosovich	Tjornhom
Kelso	Milbert	Ostrom	Rukavina	Tompkins
Kinkel	Miller	Otis	Runbeck	Trimble
Knickerbocker	Morrison	Ozment	Sarna	Tunheim
Kostohryz	Munger	Pappas	Schafer	Uphus
Krueger	Murphy	Pauly	Scheid	Valento
Lasley	Nelson, C.	Pellow	Schreiber	Vellenga
Lieder	Nelson, K.	Pelowski	Seaberg	Wagenius
Limmer	Neuenschwander	Peterson	Segal	Waltman
Long	O'Connor	Poppenhagen	Simoneau	Weaver
Lynch	Ogren	Price	Skoglund	Welle
Macklin	Olsen, S.	Pugh	Solberg	Wenzel
Marsh	Olson, E.	Quinn	Sparby	Williams
McDonald	Olson, K.	Redalen	Stanius	Winter
McEachern	Omarn	Reding	Steensma	Wynia
				Spk. Vanasek

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

There being no objection, the order of business reverted to Reports of Standing Committees.

REPORTS OF STANDING COMMITTEES

Anderson, G., from the Committee on Appropriations to which was referred:

H. F. No. 150, A bill for an act relating to health care; providing a program of affordable health care coverage for Minnesota residents; creating a health care access commission to implement and administer the program; establishing eligibility requirements and funding sources; modifying income eligibility requirements for medical assistance; requiring a report; appropriating money; amending Minnesota Statutes 1988, section 256B.056, subdivision 4; proposing coding for new law as Minnesota Statutes, chapter 62J.

Reported the same back with the following amendments:

Page 2, line 10, delete "11" and insert "seven"

Page 2, line 14, delete everything after the period

Page 2, delete line 15

Page 2, line 16, delete "rules of the house of representatives." and insert "Beginning on February 2, 1990, the two members appointed under the rules of the senate and the two members appointed under the rules of the house shall become ex officio, nonvoting members."

Page 2, after line 20, insert:

"In addition, two ex officio, nonvoting members shall be appointed under the rules of the senate and two ex officio, nonvoting members shall be appointed under the rules of the house."

Page 7, after line 26, insert:

"The commission may examine and make recommendations to the legislature on alternative gatekeeping mechanisms for access to health care services, different benefit and service packages for the minimum core coverage plan, and alternative dollar limitations for prescription drug costs."

Page 8, line 23, after the semicolon insert "and"

Page 8, line 26, delete "," and" and insert a period

Page 8, delete lines 27 and 28, and insert:

"The commission may also consider alternative or additional limits on provider reimbursement and covered services, and make recommendations to the legislature."

Page 9, line 6, after the period insert "The commission may examine the effect of different copayment levels on access to health care for persons with low incomes, and provide recommendations to the legislature based on this analysis."

Page 9, line 8, after the period insert "The commission may also examine and make recommendations to the legislature on alternative maximum lifetime benefits."

Page 9, line 19, delete "PARTICIPATION" and insert "ENROLLMENT"

Page 9, line 20, delete "(a)" and insert:

"Subdivision 1. [DEFINITIONS.] For purposes of sections 1 to 11, the following terms have the meanings given:

(1) "Dependent child" means a person who is: (1) under 18 years old, or under 22 years old and a student regularly attending school, college, or training; (2) not married; and (3) not the head of a household.

(2) "Enrollee" means an eligible resident who is enrolled in the health care access plan.

(3) “Family” means one or more people who live together and between whom there is a legal duty of support. “Family” includes dependent children, whether or not they live in the household of the parent.

(4) “Income” means income as defined in the federal poverty income guidelines. Income considered available to a dependent child whose parents are not enrollees is determined under chapter 256B.

(5) “Resident” means a person who is currently living in Minnesota and has been living in Minnesota for the six months immediately preceding the date of receipt by the commission or its carrier of a completed application for coverage and who meets the eligibility requirements of subdivision 2.

Subd. 2. [MANDATORY HEALTH INSURANCE.]”

Page 9, line 24, delete “paragraph” and insert “subdivision”

Page 9, delete lines 31 to 36

Page 10, delete lines 1 to 6 and insert:

“Subd. 3. [HEALTH CARE ACCESS PROGRAM.] A Minnesota resident must enroll”

Page 10, line 22, delete “Subd. 2.” and insert “Sec. 6. [62J.06]” and before “(a)” insert paragraph coding

Page 11, line 2, delete “person” and insert “resident”

Page 11, line 23, delete “A” and insert “An enrollee’s”

Page 11, line 24, delete “participant’s”

Page 11, delete lines 26 and 27 and insert “income of the enrollee’s family, according to the following table:”

Page 11, line 28, delete the first “Participant’s” and insert “Family” and delete the second “Participant’s” and insert “Enrollee’s”

Page 11, after line 35, insert:

“The commission may also consider and make recommendations to the legislature on alternative sliding fee scales.”

Page 12, line 3, delete “persons” and insert “residents”

Page 13, delete lines 14 and 15 and insert:

"This appropriation may not exceed \$150,000,000 in any fiscal year. The commission may, however, recommend to the legislature a different maximum appropriation level, based upon its examination of issues related to financing a health care program for the uninsured."

Page 14, line 16, delete "\$3,000,000" and insert "\$2,000,000"

Page 14, line 18, after the period insert "Of this appropriation, \$500,000 must be used by the commission for a subsidy program for community clinics meeting the definition in section 3, subdivision 2. In allocating this money between clinics, the commission shall take into account each clinic's financial condition and the proportion of low-income persons served by each clinic."

Page 14, line 28, delete "ARTICLE 2"

Page 14, line 29 to page 15, line 7, delete sections 1 and 2

Page 15, line 8, delete "3" and insert "2"

Page 15, line 10, delete "articles 1 or 2" and insert "article 1" and delete "are" and insert "is"

Page 15, line 11, delete "those articles" and insert "the article"

Amend the title as follows:

Page 1, delete line 9

Page 1, line 10, delete "subdivision 4,"

With the recommendation that when so amended the bill pass.

The report was adopted.

Anderson, G., from the Committee on Appropriations to which was referred:

H. F. No. 207, A bill for an act relating to public safety; establishing the board of jail employee training and standards; regulating jail employees; providing penalties; appropriating money; amending Minnesota Statutes 1988, sections 214.01, subdivision 3; 214.04, subdivisions 1 and 3; and 364.09; proposing coding for new law in Minnesota Statutes, chapter 214; proposing coding for new law as Minnesota Statutes, chapter 644.

Reported the same back with the following amendments:

Page 2, line 8, reinstate the stricken "and"

Page 2, line 9, after the comma, insert "the commissioner of corrections with respect to"

Page 8, line 27, delete "1990" and insert "1991"

Page 9, line 7, delete "1991" and insert "1992"

Page 9, line 14, delete "1991" and insert "1992"

Page 9, line 35, delete "1991" and insert "1992"

Page 10, line 23, delete "1991" and insert "1992"

Page 10, line 29, delete "1990" and insert "1991"

Page 11, line 25, delete "\$475,900" and insert "\$100,000"

Amend the title as follows:

Page 1, line 2, delete "public safety" and insert "corrections"

With the recommendation that when so amended the bill pass.

The report was adopted.

Anderson, G., from the Committee on Appropriations to which was referred:

H. F. No. 376, A bill for an act relating to public safety; regulating the operation and operators of elevators; amending Minnesota Statutes 1988, sections 183.351, by adding a subdivision; and 183.355; proposing coding for new law in Minnesota Statutes, chapter 183.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1988, section 16B.70, subdivision 1, is amended to read:

Subdivision 1. [COMPUTATION.] To defray the costs of administering sections 16B.59 to 16B.73, a surcharge is imposed on all permits issued by municipalities in connection with the construction of or addition or alteration to buildings and equipment or appurtenances after June 30, 1971, as follows:

If the fee for the permit issued is fixed in amount the surcharge is equivalent to one-half mill (.0005) of the fee or 50 cents, whichever amount is greater. For all other permits, the surcharge is as follows: (a) (1) if the valuation of the structure, addition, or alteration is \$1,000,000 or less, the surcharge is equivalent to one-half mill (.0005) of the valuation of the structure, addition, or alteration; (b) (2) if the valuation is greater than \$1,000,000, the surcharge is \$500 plus two-fifths mill (.0004) of the value between \$1,000,000 and \$2,000,000; (c) (3) if the valuation is greater than \$2,000,000 the surcharge is \$900 plus three-tenths mill (.0003) of the value between \$2,000,000 and \$3,000,000; (d) (4) if the valuation is greater than \$3,000,000 the surcharge is \$1,200 plus one-fifth mill (.0002) of the value between \$3,000,000 and \$4,000,000; (e) (5) if the valuation is greater than \$4,000,000 the surcharge is \$1,400 plus one-tenth mill (.0001) of the value between \$4,000,000 and \$5,000,000; and (f) (6) if the valuation exceeds \$5,000,000 the surcharge is \$1,500 plus one-twentieth mill (.00005) of the value which that exceeds \$5,000,000.

By September 1 of each odd-numbered year, the commissioner shall rebate to municipalities any money received under this section and section 16B.62 in the previous biennium in excess of the cost to the building code division and the passenger elevator inspector in the department of labor and industry in that biennium of carrying out their its duties under sections 16B.59 to 16B.73. The rebate to each municipality must be in proportion to the amount of the surcharges collected by that municipality and remitted to the state. The amount necessary to meet the commissioner's rebate obligations under this subdivision is appropriated to the commissioner from the special revenue fund.

Sec. 2. [183.001] [ADMINISTRATION, PENALTIES.]

The commissioner of the department of labor and industry shall administer chapter 183. In addition to the remedies provided for violations of this chapter, the commissioner may impose a penalty of up to \$1,000 for a violation of any provision of this chapter.

Sec. 3. [183.02] [DEFINITIONS.]

Subdivision 1. [SCOPE.] When used in this chapter, the terms defined in this section have the meanings given them.

Subd. 2. [COMMISSIONER.] "Commissioner" means the commissioner of the department of labor and industry.

Subd. 3. [DEPARTMENT.] "Department" means the department of labor and industry.

Sec. 4. [183.022] [ELEVATOR AVAILABLE FOR INSPECTION.]

A person, firm, entity, or corporation that owns or controls a building or other structure housing an elevator that is subject to inspection by the department, shall, upon request, provide access at a reasonable hour to the elevator for purposes of inspection.

Sec. 5. Minnesota Statutes 1988, section 183.351, is amended by adding a subdivision to read:

Subd. 5. As used in this chapter, "elevator" means moving walks and vertical transportation devices such as escalators, passenger elevators, freight elevators, dumbwaiters, handpowered elevators, endless belt lifts, and wheelchair platform lifts, but does not include external temporary material lifts, temporary construction personnel elevators at sites of construction of new or remodeled buildings, or elevators in owner-occupied buildings of no more than four living units.

Sec. 6. Minnesota Statutes 1988, section 183.351, is amended by adding a subdivision to read:

Subd. 6. [MUNICIPALITY.] "Municipality," as used in sections 183.351 to 183.358, means a city, county, or town meeting the requirements of section 368.01, subdivision 1.

Sec. 7. Minnesota Statutes 1988, section 183.355, is amended to read:

183.355 [VIOLATIONS, PENALTIES.]

Subdivision 1. [REMOVAL OF SEAL.] Any No person, firm or corporation who violates any of the provisions of sections 183.351 to 183.355 or who removes may remove any seal or notice forbidding the use of any such an elevator, except by authority of the department of labor and industry or the licensing authority having jurisdiction over such the elevator, or who operates operate such an elevator after such a notice has been attached forbidding its use, unless such the notice has been removed by authority of the department of labor and industry or the licensing authority having jurisdiction over such the elevator shall be guilty of a misdemeanor.

Subd. 2. [FALSE CERTIFICATION.] No inspector, or other party authorized by this section or by rule to inspect elevators, may falsely certify the safety of an elevator, or grant a license or permit contrary to any provision of this chapter.

Subd. 3. [MINIMUM REQUIREMENTS.] No person, firm, or corporation may construct, install, or repair an elevator that does not meet the minimum requirements of this chapter, adopted rules, or national codes adopted by rule.

Sec. 8. [183.357] [FEES FOR LICENSURE AND INSPECTION.]

Subdivision 1. [PERMITS.] No person, firm, or corporation may construct or install an elevator without first filing an application for a permit with the department of labor and industry or a municipality authorized by subdivision 3 to inspect elevators. Projects under actual construction before July 1, 1989, are not required to obtain a permit from the department. Upon successfully completing inspection and the payment of the appropriate fee, the owner must be granted an operating permit for the elevator.

Subd. 2. [CONTRACTOR LICENSES.] The commissioner may establish criteria for the qualifications of elevator contractors and issue licenses based upon proof of the applicant's qualifications.

Subd. 3. [PERMISSIVE MUNICIPAL REGULATION.] A municipality that conducts a system of elevator inspection on a periodic basis in conformity with this chapter, state building code requirements, and adopted rules, and that employs or contracts with inspectors meeting the minimum requirements established by rule, may provide for the inspection of elevator installation, repair, construction, and the periodic routine inspection of elevators. A municipality may not adopt standards that do not conform to the uniform standards prescribed by the department.

If a municipality does not conduct elevator inspections as provided in this chapter, or if the commissioner determines that a municipality is not properly administering and enforcing the law, rules, and codes, the commissioner shall have the inspection, administration, and enforcement undertaken by a qualified inspector employed by the department.

Subd. 4. [DEPOSIT OF FEES.] Fees received under this section must be deposited in the state treasury and credited to the special revenue fund.

Sec. 9. [183.358] [RULES.]

The commissioner may adopt rules for the following purposes:

(1) to set a fee under section 16A.128 for processing a construction or installation permit or elevator contractor license application;

(2) to set a fee under section 16A.128 to cover the cost of elevator inspections;

(3) to establish minimum qualifications for elevator inspectors that must include possession of a current journeyman elevator electrician's license issued by the state board of electricity and proof

of successful completion of the national elevator construction mechanic examination or equivalent experience;

(4) to establish criteria for the qualifications of elevator contractors;

(5) to establish elevator standards under sections 16B.61, subdivisions 1 and 2, and 16B.64; and

(6) to establish procedures for appeals of decisions of the commissioner under chapter 14 and procedures allowing the commissioner, before issuing a decision, to seek advice from the elevator trade, building owners or managers, and others knowledgeable in the installation, construction, and repair of elevators."

Delete the title and insert:

"A bill for an act relating to public safety; regulating the operation and operators of elevators; imposing penalties; amending Minnesota Statutes 1988, sections 16B.70, subdivision 1; 183.351, by adding subdivisions; and 183.355; proposing coding for new law in Minnesota Statutes, chapter 183."

With the recommendation that when so amended the bill pass.

The report was adopted.

Anderson, G., from the Committee on Appropriations to which was referred:

H. F. No. 404, A bill for an act relating to health; requiring a person to be licensed to perform radon work; regulating radon testing and mitigation work; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 326.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. [326.83] [TITLE.]

Sections 326.83 to 326.92 may be cited as the "radon research and remediation act."

Sec. 2. [326.84] [DEFINITIONS.]

Subdivision 1. [SCOPE.] As used in sections 326.83 to 326.92, the following terms have the meanings given them in this section.

Subd. 2. [PERSON.] "Person" means any individual, partnership, association, private corporation, or other private business entity.

Subd. 3. [RADON.] "Radon" means the radioactive noble gas radon-222 and the short-lived radionuclides that are products of radon-222 decay, including polonium-218, lead-214, bismuth-214, and polonium-214.

Sec. 3. [326.85] [RADON TESTING; REGISTRATION.]

Subdivision 1. [WHEN REGISTRATION REQUIRED.] No person may conduct radon testing in Minnesota unless the person is registered with the department of health.

Subd. 2. [WHEN REGISTRATION NOT REQUIRED.] A registration for radon testing is not required for:

(1) a person who performs radon testing or radon work involving property owned by the person; or

(2) a person performing preventive or safeguarding measures during new construction or remodeling.

Subd. 3. [REGISTRATION REQUIREMENTS.] To obtain a registration to perform radon testing, a person must demonstrate that the person has met the requirements of the most current round of the National Radon Measurement Proficiency Program established by the United States Environmental Protection Agency.

Subd. 4. [COPIES OF THE REGISTRATION.] A registration holder must provide a copy of the registration upon request by anyone who contracts for radon services from the registration holder.

Subd. 5. [CONDUCTING RADON TESTING.] A person shall be deemed to be conducting radon testing if the person, by oral or written representation, claims to determine the presence of or the level of radon in a building.

Subd. 6. [LOCAL GOVERNMENT REGULATION.] A municipality or other local government entity may not require an additional registration or impose additional conditions or requirements upon a person performing radon testing, if the person is registered under this section.

Sec. 4. [326.86] [REGISTRATION FEE.]

A person required to be registered under section 3 must, before performing radon testing, pay the commissioner of health an initial registration fee of \$200. A registration is valid for two years after the date it is issued. The registration must be renewed every two years. A person seeking to renew the registration must pay a \$200 renewal fee.

Sec. 5. [326.87] [DUTIES OF THE COMMISSIONER OF HEALTH.]

Subdivision 1. [RADON EDUCATION.] (a) The commissioner of health shall hold public meetings and publish material the commissioner of health determines is necessary to inform the public about radon. The commissioner of health shall make written materials about radon testing and remediation available to real estate agents, builders, public libraries, building code enforcement officials, hardware stores, and home improvement stores for free distribution.

(b) The commissioner of health shall prepare and distribute technical information the commissioner of health determines is necessary or useful to help assure testing, building, and mitigation practices that will accurately identify radon levels and will help reduce or abate radon problems. The commissioner of health must distribute this information to mitigation companies, builders, radon testing companies, and local officials.

(c) The commissioner of health may charge a fee for educational materials based on the cost of producing the materials.

Subd. 2. [RADON RESEARCH.] (a) To the extent that funding is available, the commissioner of health may undertake research, directly through department staff or under contract, and publish the results of the research in the following areas:

(1) radon mitigation techniques;

(2) radon testing procedures for schools, licensed day care centers, apartment buildings and other multiple family dwellings with particular emphasis on below-grade units, and publicly owned residential facilities;

(3) health risk assessments using varying exposure levels and lengths of exposure;

(4) radon levels in selected public buildings; and

(5) to the extent that federal funds become available, other subjects the commissioner of health determines require research, including soil gas testing to determine radon source levels and the estimation of long-term radon and radon daughter product levels.

(b) To the extent possible, consistent with the objectives of the research, homes of low income residents shall be selected for research under this subdivision. Studies conducted by the commissioner of health shall not duplicate work available from the federal government or from other sources. The commissioner of health may establish priorities among the areas of research listed in this subdivision.

Sec. 6. [326.88] [VIOLATIONS; PENALTIES; INVESTIGATIONS.]

Subdivision 1. [INJUNCTIVE RELIEF.] The attorney general may bring an action for injunctive relief in the district court for Ramsey county or in the district court in the county where the testing is being undertaken to halt violations of sections 326.83 to 326.92 or rules of the commissioner of health.

Subd. 2. [CIVIL PENALTIES.] The attorney general may seek civil penalties of up to \$10,000 per day for any violations of sections 326.83 to 326.92.

Subd. 3. [DENIAL, SUSPENSION, REVOCATION, OR REFUSAL TO REISSUE A REGISTRATION.] The commissioner of health may deny, suspend, revoke, or refuse to reissue a registration for the following reasons:

(1) serious violation of or failure to comply with sections 326.83 to 326.92;

(2) fraudulent, deceptive, or dishonest practices by the person applying for or holding a registration; or

(3) false or misleading statements on any document required under sections 326.83 to 326.92.

A person denied a registration, or whose registration is suspended, revoked, or not reissued under this section may request a hearing on the matter under chapter 14.

Subd. 4. [SUBPOENAS.] In matters under investigation by or pending before the commissioner of health under sections 326.83 to 326.92, the commissioner of health may issue subpoenas and compel the attendance of witnesses and the production of papers, books, records, documents, and other relevant evidentiary materials. If a person fails or refuses to comply with the subpoena or order, the commissioner of health may ask the district court in any district, to order the person to comply with the commissioner's order or subpoena. The commissioner of health may also administer oaths and affirmations to witnesses. Depositions may be taken within or without the state in the manner provided by law for the taking of

depositions in civil actions. A subpoena or other process or paper may be served upon any person anywhere within the state by an officer authorized to serve subpoenas in civil actions, with the same fees and mileage costs paid, and in the manner prescribed by law, for process of the state district courts. Fees and mileage and other costs of persons subpoenaed by the commissioner of health shall be paid in the manner prescribed for proceedings in district court.

Sec. 7. [326.89] [STATE PLUMBING CODE.]

The commissioner of administration, in consultation with the commissioner of health, shall adopt changes to the state plumbing code that the commissioner of administration finds are necessary to minimize infiltration of soil gas into buildings. The changes shall be adopted within six months after federal standards are adopted.

Sec. 8. [326.90] [STATE BUILDING CODE.]

The commissioner of administration shall adopt changes to the state building code that the commissioner of administration finds are needed to minimize the accumulation of excess levels of radon in buildings. The changes shall be adopted within six months after federal standards are adopted.

Sec. 9. [326.91] [REPORT OF RADON TEST DATA.]

A person licensed under sections 326.83 to 326.92 who conducts radon tests in Minnesota must submit a copy of the test results to the department of health. The test results need not include the name of the property owner but must include the street address of the building. The street addresses of buildings for which data is collected under this section are nonpublic data. A government agency may share the data, including street addresses, with other government agencies.

Sec. 10. [326.92] [MANDATORY TESTING.]

Public and private schools and licensed day care centers must conduct an initial screening test for radon by July 1, 1991. The commissioner of health may by rule require additional testing.

Sec. 11. [EFFECTIVE DATE.]

Section 6, subdivision 1, is effective the day following final enactment. Section 3 is effective October 1, 1989. Sections 4, 6, subdivisions 2, 3, 4, 5, and 6; and 9, are effective January 1, 1990. Section 5 is effective July 1, 1989.

Sec. 12. [APPROPRIATION.]

Subdivision 1. \$300,000 is appropriated from the general fund to the commissioner of health for the biennium ending June 30, 1991, to carry out the requirements of sections 1 to 10.

Subd. 2. The department of health complement is increased by three persons."

Amend the title as follows:

Page 1, line 2, delete "licensed" and insert "registered"

Page 1, line 3, delete "work" and insert "testing"

With the recommendation that when so amended the bill pass.

The report was adopted.

Anderson, G., from the Committee on Appropriations to which was referred:

H. F. No. 417, A bill for an act relating to solid waste; establishing plans and programs to reduce waste generated, recycle waste, develop markets for recyclables, address materials that cause special problems in the waste stream, prevent, control, and abate litter; inform and educate the public on proper waste management; appropriating money; amending Minnesota Statutes 1988, sections 18B.01, by adding a subdivision; 115A.03, by adding subdivisions; 115A.072; 115A.12, subdivision 1; 115A.15, subdivision 5, and by adding subdivisions; 115A.46, subdivision 2, and by adding a subdivision; 115A.48, subdivision 3, and by adding subdivisions; 115A.96, subdivision 2, and by adding a subdivision; 116.07, by adding a subdivision; 116K.04, by adding a subdivision; 275.50, subdivision 5; 325E.115, subdivision 1; 400.08, by adding a subdivision; 473.149, subdivision 1; and 473.803, subdivision 1; proposing coding for new law in Minnesota Statutes, chapters 18B; 115A; 116C; 116J; 121; 173; and 473.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"ARTICLE 1
SOLID WASTE REDUCTION

Section 1. Minnesota Statutes 1988, section 115A.15, subdivision 5, is amended to read:

Subd. 5. [REPORTS.] By January 1 of each odd-numbered year, the commissioner of administration shall submit a report to the governor and to the legislative commission summarizing past activities and proposed goals of the program for the following biennium. The report shall include at least:

- (1) a summary list of product and commodity purchases that contain recycled materials;
- (2) the results of any performance tests conducted on recycled products and agencies' experience with recycled products used;
- (3) a list of all organizations participating in and using the cooperative purchasing program;
- (4) a list of products and commodities purchased for their recyclability and of recycled products reviewed for purchase; and
- (5) proposals for legislative action to enhance recycling efforts by state agencies.

By July 1 of each even-numbered year the commissioner of the pollution control agency and the commissioner of public service shall submit recommendations to the commissioner regarding the operation of the program.

Sec. 2. Minnesota Statutes 1988, section 115A.15, is amended by adding a subdivision to read:

Subd. 7. [WASTE REDUCTION; PROCUREMENT MODEL.] For the purposes of reducing the amount of solid waste generated by the state and providing a model for other public and private procurement systems, the commissioner, in cooperation with the the waste management board, shall develop, based on the recommendations in the study in section 6, waste reduction procurement programs, including an expanded life cycle costing system for procurement of durable and repairable items. The commissioner shall implement the program by January 1, 1992. On implementation of the model procurement system, the commissioner, in cooperation with the board, shall develop and distribute informational materials for the purpose of promoting the procurement model to other public and private entities under section 5, subdivision 2.

Sec. 3. Minnesota Statutes 1988, section 115A.15, is amended by adding a subdivision to read:

Subd. 8. [RECYCLED MATERIALS; PURCHASING.] The commissioner shall develop and implement a cooperative purchasing program under section 471.59 to include state agencies, local governmental units, and, where feasible, other state governments and the federal government, for the purpose of purchasing recycled materials. By January 1, 1991, the commissioner shall develop a program to promote the cooperative purchasing program to those units of government and other persons.

Sec. 4. Minnesota Statutes 1988, section 115A.15, is amended by adding a subdivision to read:

Subd. 9. [RECYCLING GOAL.] By January 1, 1992, the commissioner shall recycle or compost at least 25 percent by weight of the solid waste generated by state offices and other operations located in the metropolitan area. The commissioner must keep records of the recycling and composting operation and share them annually with the metropolitan council and counties to assist the council and the counties in their data collection efforts.

Sec. 5. [115A.55] [SOLID WASTE REDUCTION.]

Subdivision 1. [AGENCY COORDINATION.] The board shall develop and coordinate solid waste reduction programs to include at least public education, promotion of waste reduction, and technical and financial assistance to solid waste generators.

Subd. 2. [EDUCATION; PROMOTION; PROCUREMENT.] The board shall include waste reduction as an element of its program of public education on waste management required under section 115A.072. The waste reduction education program must include dissemination of information and may include an award program for model waste reduction efforts. Waste reduction educational efforts must also include provision of information about and promotion of the model procurement program developed by the commissioner of administration under section 1, or any other model procurement program that results in significant waste reduction.

Subd. 3. [TECHNICAL ASSISTANCE.] The board shall provide technical assistance to solid waste generators to enable the waste generators to implement programs or methods to reduce the amount of solid waste generated. The board may use any means specified in section 115A.52 to provide technical assistance.

Subd. 4. [FINANCIAL ASSISTANCE.] The board shall make loans and grants to any person for the purpose of developing and implementing projects or practices to prevent or reduce the gener-

ation of solid waste including those that involve reuse of items in their original form or procuring, using, or producing products with long useful lives. Grants may be used to fund studies needed to determine the technical and financial feasibility of a waste reduction project or practice or for the cost of implementation of a waste reduction project or practice that the board has determined is technically and financially feasible.

In making grants or loans, the board shall give priority to waste reduction or problem materials projects or practices that have broad application in the state and that have the potential for significant reduction of the amount of waste generated; or that are directed toward removing problem materials from the waste stream.

All information developed as a result of a grant or loan shall be made available to other solid waste generators through the public information program established in subdivision 2.

The board shall adopt rules for the administration of this program. Board rules must prescribe the level or levels of matching funds required for grants or loans under this subdivision.

Sec. 6. [STUDIES; IMPLEMENTATION PLAN.]

By November 1, 1991, the commissioner of administration shall prepare and present to the legislative commission on waste management:

(1) recommendations, proposed in conjunction with the commissioner of public safety, to address barriers to recycling that may exist due to existing building, safety and fire codes; and

(2) a plan and implementation strategy based on a study and evaluation, to be conducted by an outside consultant, of practices, procedures and methods to ensure that state contracts and purchasing be structured to encourage procurement of recycled materials and to meet the requirements of section 1.

ARTICLE 2

RECYCLING

Section 1. [115A.151] [STATE AND LOCAL FACILITIES.]

By July 1, 1990, a state agency or local unit of government, other than a school district if it is not economical to do so, shall:

(1) ensure that facilities under its control, from which mixed municipal solid waste is collected, have containers for at least three recyclable materials; and

(2) transfer all recyclable materials collected at those facilities to a recycler.

Sec. 2. Minnesota Statutes 1988, section 115A.46, subdivision 2, is amended to read:

Subd. 2. [CONTENTS.] The plans shall describe existing collection, processing, and disposal systems, including schedules of rates and charges, financing methods, environmental acceptability, and opportunities for improvements in the systems. The plans shall include an estimate of the land disposal capacity in acre-feet which will be needed through the year 2000, on the basis of current and projected waste generation practices. The plans shall require the most feasible and prudent reduction of the need for and practice of land disposal of mixed municipal solid waste. The plans shall address at least waste reduction, separation, and resource recovery, and; shall include objectives, immediately and over specified time periods, for reducing the land disposal of mixed municipal solid waste; and shall describe proposed mechanisms for complying with the recycling requirements of section 4 and the household hazardous waste management requirements of article 4, section 8. The plans shall describe specific functions to be performed and activities to be undertaken to achieve the abatement objectives and shall describe the estimated cost, proposed manner of financing, and timing of the functions and activities. The plans shall include a comparison of the costs of the activities to be undertaken, including capital and operating costs, and the effects of the activities on the cost to generators and on persons currently providing solid waste collection, processing, and disposal services. The plans shall include alternatives which could be used to achieve the abatement objectives if the proposed functions and activities are not established. The plans shall designate how public education shall be accomplished. The plans shall, to the extent practicable and consistent with the achievement of other public policies and purposes, encourage ownership and operation of solid waste facilities by private industry. For solid waste facilities owned or operated by public agencies or supported primarily by public funds or obligations issued by a public agency, the plans shall include criteria and standards to protect comparable private and public facilities already existing in the area from displacement unless the displacement is required in order to achieve the waste management objectives identified in the plan. The plans shall establish a siting procedure and development program to assure the orderly location, development, and financing of new or expanded solid waste facilities and services sufficient for a prospective ten-year period, including estimated costs and implementation schedules, proposed procedures for operation and maintenance, estimated annual costs and gross revenues, and proposals for the use of facilities after they are no longer needed or usable. The plans shall describe existing and proposed county and municipal ordinances and license and permit requirements relating to solid waste

management and shall describe existing and proposed regulation and enforcement procedures.

Sec. 3. Minnesota Statutes 1988, section 115A.46, is amended by adding a subdivision to read:

Subd. 4. [DELEGATION; SOLID WASTE RESPONSIBILITIES.] A county or a solid waste management district established under sections 115A.62 to 115A.72 may not delegate to another governmental unit or other person any portion of its responsibility for solid waste management unless it establishes a funding mechanism to assure the ability of the entity to which it delegates responsibility to adequately carry out the responsibility delegated.

Sec. 4. [115A.551] [RECYCLING.]

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

(a) "Recycling" means, in addition to the meaning given in section 115A.03, subdivision 25b, yard waste composting and recycling that occurs through mechanical or hand separation of materials that are then delivered for reuse in their original form or for use in manufacturing processes that do not cause the destruction of recyclable materials in a manner that precludes further use.

(b) "Total solid waste generation" means the total by weight of:

- (1) materials separated for recycling;
- (2) materials separated for yard waste composting; and
- (3) mixed municipal solid waste plus yard waste, used oil, tires, lead acid batteries, and white goods.

Subd. 2. [COUNTY RECYCLING GOALS.] It is the goal of each county to recycle a minimum of 25 percent by weight of its annual total solid waste generation by July 1, 1993. Each county shall either develop and implement or require political subdivisions within the county to develop and implement programs, practices, or methods designed to meet its recycling goal. Nothing in this section or any other law may be construed to prohibit a county from establishing a higher recycling goal. The Western Lake Superior Sanitary District established by Laws 1971, chapter 478, as amended, shall have all of the duties, authority, and rights of a county under this section with respect to recycling and total solid waste generation within the district.

Subd. 3. [INTERIM GOALS; NONMETROPOLITAN COUN-

TIES.] The board shall establish interim recycling goals for the nonmetropolitan counties to assist them in meeting the 1993 goal.

Subd. 4. [INTERIM MONITORING.] The board, for the nonmetropolitan counties, and the metropolitan council, for the metropolitan counties, shall monitor the progress of the counties toward meeting the recycling goal in subdivision 2. If the board or the council finds that a county is not progressing toward the goal in subdivision 2, it shall negotiate with the county to develop and implement solid waste management techniques designed to assist the county in meeting the goal, such as organized collection, curbside collection of source-separated materials, and volume-based pricing.

Subd. 5. [FAILURE TO MEET GOAL.] If, based on the recycling monitoring described in subdivision 4, the board or the metropolitan council finds that a county will be unable to meet the recycling goal established in subdivision 2, the board or council shall, after consideration of the reasons for the county's inability to meet the goal, recommend legislation for consideration by the legislative commission on waste management to establish mandatory recycling standards and to authorize the board or council to mandate appropriate solid waste management techniques designed to meet the standards in those counties that are unable to meet the goal.

Subd. 6. [COUNTY AND DISTRICT SOLID WASTE PLANS.] Each county and the Western Lake Superior Sanitary District shall include in its solid waste management plan described in section 115A.46, or its solid waste master plan described in section 473.803, a plan for implementing the recycling goal established in subdivision 2 along with mechanisms for providing financial incentives to solid waste generators to reduce the amount of waste generated and to separate recyclable materials from the waste stream. The recycling plan must include detailed recycling implementation information to form the basis for the strategy required in subdivision 7.

Each county required to submit its plan to the board under section 115A.46 shall amend its plan to comply with this subdivision within one year after the effective date of this section.

Subd. 7. [RECYCLING IMPLEMENTATION STRATEGY.] Within one year of board approval of the portion of the plan required in subdivision 6, each nonmetropolitan county shall submit for board approval a local recycling implementation strategy. The local recycling implementation strategy must:

(1) be consistent with the approved county solid waste management plan;

(2) identify the materials that are being and will be recycled in the

county to meet the goals under this section and the parties responsible and methods for recycling the material; and

(3) define the need for funds to ensure continuation of local recycling, methods of raising and allocating such funds, and permanent sources and levels of local funding for recycling.

Subd. 8. [EMERGENCY RULEMAKING.] The board may adopt emergency rules implementing subdivision 6 and article 4, section 8.

Sec. 5. [115A.555] [RECYCLING CENTER DESIGNATION.]

The commissioner of the agency shall designate recycling centers for the purpose of section 11. To be designated as a recycling center, a recycling facility must be open a minimum of 12 operating hours each week, 12 months each year, and must accept for recycling at least three different materials such as paper, glass, and metal.

Sec. 6. [115A.556] [MATERIALS USED FOR RECYCLING.]

Materials and products used for recycling, including containers, receptacles, and storage bins with short life cycles, must be recyclable and made at least in part from recycled materials from this state, if available.

Sec. 7. [115A.557] [COUNTY WASTE REDUCTION AND RECYCLING; FUNDING.]

Subdivision 1. [DISTRIBUTION; FORMULA.] Any funds appropriated to the board for the purpose of distribution to counties under this section must be annually distributed by the board to eligible counties based on population, except that a county may not receive less than \$60,000 annually. For the purposes of this subdivision "population" has the meaning given it in section 477.011, subdivision 3.

Subd. 2. [PURPOSES FOR WHICH MONEY MAY BE SPENT.] A county receiving money distributed by the board under this section may use the money only for the development and implementation of programs to:

- (1) reduce the amount of solid waste generated;
- (2) recycle the maximum amount of solid waste technically feasible;
- (3) create and support markets for recycled products;

(4) remove problem materials from the solid waste stream and develop proper disposal options for them;

(5) inform and educate all sectors of the public about proper solid waste management procedures;

(6) provide technical assistance to public and private entities to ensure proper solid waste management; and

(7) provide educational, technical, and financial assistance for litter prevention.

Subd. 3. [ELIGIBILITY TO RECEIVE MONEY.] (a) To be eligible to receive money distributed by the board under this section, a county shall within one year of the effective date of this section:

(1) create a separate account in its general fund in which to deposit the money;

(2) set up accounting procedures to ensure that money in the separate account is spent only for the purposes in subdivision 2; and

(3) provide evidence to the board that local revenue equal to 25 percent of the money sought for distribution under this section will be expended for the purposes in subdivision 2.

(b) In each following year, each county shall also:

(1) have in place an approved solid waste management plan or master plan including a recycling implementation strategy under section 4, subdivision 7, or section 473.803, subdivision 1e, and a household hazardous waste management plan under article 4, section 8, by the dates specified in those provisions; and

(2) submit a report by August 1 of each year to the board detailing how the money was spent and the resulting gains achieved in solid waste management practices during the previous fiscal year.

Sec. 8. [115A.945] [VISIBLE SOLID WASTE MANAGEMENT COSTS.]

Any political subdivision that provides or pays for the costs of collection or disposal of solid waste shall, through a billing or other system, make the prorated share of those costs for each solid waste generator visible and obvious to the generator.

Sec. 9. Minnesota Statutes 1988, section 116K.04, is amended by adding a subdivision to read:

Subd. 6. [MODEL ZONING CRITERIA.] The commissioner shall, in consultation with the advisory council on state and local relations, develop and disseminate model zoning criteria for use by local units of government in siting recycling facilities.

Sec. 10. [121.938] [DISTRICTS TO RECYCLE PAPER.]

Subdivision 1. [DEFINITION.] For the purposes of this section, "recycle" has the meaning given it in section 115A.03, subdivision 25b.

Subd. 2. [RECYCLING REQUIRED.] The state board of education shall require all public school districts to recycle paper used by the districts. The board may exempt from its requirement to recycle any district that the board determines will spend more money to recycle paper than will be saved by recycling.

Sec. 11. [173.086] [RECYCLING CENTER SIGNS.]

Subdivision 1. [AUTHORITY TO ERECT.] A recycling facility that has complied with the permitting rules of the pollution control agency and has been designated a recycling center by the agency under section 5 may erect a recycling center sign upon payment of a fee to the department of transportation or to the local road authority required to cover all costs of fabrication and installation of the signs.

Subd. 2. [SIGN STANDARDS.] The department of transportation shall design and manufacture the recycling center sign to specifications not contrary to other federal and state highway sign standards. The sign must contain the international three arrow recycling symbol followed by the words "recycling center."

Subd. 3. [LOCATION.] Each local road authority shall permit recycling center signs to be located on roads, excluding freeways, in its jurisdiction, subject to sign placement and distance requirements of the local authority in conformance with standard policies for placement of signs for other traffic generators.

Sec. 12. Minnesota Statutes 1988, section 400.08, is amended by adding a subdivision to read:

Subd. 5. [VARIABLE RATES; AUTHORITY.] A county may:

(1) charge or may require any person who collects solid waste in the county to charge solid waste generators rates for collection or disposal that vary depending on the volume or weight of waste generated;

(2) require collectors to provide financial incentives to solid waste generators who separate recyclable materials from their waste; or

(3) require use of any other mechanism to provide encouragement or rewards to solid waste generators who reduce their waste generation or who separate recyclable materials from their waste.

Notwithstanding any other law to the contrary, the Western Lake Superior Sanitary District may amend its solid waste management plan to require that the cities contained within the district require variable rates under clauses (1) to (3).

Sec. 13. Minnesota Statutes 1988, section 473.149, subdivision 1, is amended to read:

Subdivision 1. [POLICY PLAN; GENERAL REQUIREMENTS.] The metropolitan council shall prepare and by resolution adopt as part of its development guide a long range policy plan for solid waste management in the metropolitan area. When adopted, the plan shall be followed in the metropolitan area. The plan shall address the state policies and purposes expressed in section 115A.02. The plan shall substantially conform to all policy statements, purposes, goals, standards, maps and plans in development guide sections and plans adopted by the council, provided that no land shall be thereby excluded from consideration as a solid waste facility site except land determined by the agency to be intrinsically unsuitable for such use. The plan shall include goals and policies for solid waste management, including recycling consistent with section 4 and household hazardous waste management consistent with article 4, section 8, in the metropolitan area and, to the extent appropriate, statements and information similar to that required under section 473.146, subdivision 1. The plan shall include criteria and standards for solid waste facilities and solid waste facility sites respecting the following matters: general location; capacity; operation; processing techniques; environmental impact; effect on existing, planned, or proposed collection services and waste facilities; and economic viability. The plan shall, to the extent practicable and consistent with the achievement of other public policies and purposes, encourage ownership and operation of solid waste facilities by private industry. For solid waste facilities owned or operated by public agencies or supported primarily by public funds or obligations issued by a public agency, the plan shall include additional criteria and standards to protect comparable private and public facilities already existing in the area from displacement unless the displacement is required in order to achieve the waste management objectives identified in the plan. In developing the plan the council shall consider the orderly and economic development, public and private, of the metropolitan area; the preservation and best and most economical use of land and water resources in the metropolitan area; the protection and enhancement of environmental quality; the conservation and reuse of resources and energy; the preservation and promotion of conditions

conductive to efficient, competitive, and adaptable systems of waste management; and the orderly resolution of questions concerning changes in systems of waste management. Criteria and standards for solid waste facilities shall be consistent with rules adopted by the pollution control agency pursuant to chapter 116 and shall be at least as stringent as the guidelines, regulations, and standards of the federal environmental protection agency.

Sec. 14. Minnesota Statutes 1988, section 473.803, subdivision 1, is amended to read:

Subdivision 1. [COUNTY MASTER PLANS; GENERAL REQUIREMENTS.] Each metropolitan county, following adoption or revision of the council's solid waste policy plan and in accordance with the dates specified therein, and after consultation with all affected local government units, shall prepare and submit to the council for its approval, a county solid waste master plan to implement the policy plan. The master plan shall be revised and resubmitted at such times as the council's policy plan may require. The master plan shall describe county solid waste activities, functions, and facilities; the existing system of solid waste generation, collection, and processing, and disposal within the county; proposed mechanisms for complying with the recycling requirements of section 4 and the household hazardous waste management requirements of article 4, section 8; existing and proposed county and municipal ordinances and license and permit requirements relating to solid waste facilities and solid waste generation, collection, and processing, and disposal; existing or proposed municipal, county, or private solid waste facilities and collection services within the county together with schedules of existing rates and charges to users and statements as to the extent to which such facilities and services will or may be used to implement the policy plan; and any solid waste facility which the county owns or plans to acquire, construct, or improve together with statements as to the planned method, estimated cost and time of acquisition, proposed procedures for operation and maintenance of each facility; an estimate of the annual cost of operation and maintenance of each facility; an estimate of the annual gross revenues which will be received from the operation of each facility; and a proposal for the use of each facility after it is no longer needed or usable as a waste facility. The master plan shall, to the extent practicable and consistent with the achievement of other public policies and purposes, encourage ownership and operation of solid waste facilities by private industry. For solid waste facilities owned or operated by public agencies or supported primarily by public funds or obligations issued by a public agency, the master plan shall contain criteria and standards to protect comparable private and public facilities already existing in the area from displacement unless the displacement is required in order to achieve the waste management objectives identified in the plan.

Sec. 15. [SAFETY GUIDE.]

The pollution control agency, in cooperation with the waste management board and the metropolitan council, shall prepare and distribute to all interested persons a guide for operation of a recycling or yard waste composting facility to protect the environment and public health.

Sec. 16. [EFFECTIVE DATE.]

Section 6 is effective August 1, 1990.

ARTICLE 3

RECYCLING MARKET DEVELOPMENT

Section 1. Minnesota Statutes 1988, section 115A.12, subdivision 1, is amended to read:

Subdivision 1. [SOLID AND HAZARDOUS WASTE MANAGEMENT.] (a) The chair of the board shall establish a solid waste management advisory council and a hazardous waste management planning council broadly representative of the geographic areas and interests of the state.

(b) The council's solid waste council shall have not less than nine nor more than 18 21 members each. The membership of the solid waste council shall consist of one-third citizen representatives, one-third representatives from local government units, and one-third representatives from private solid waste management firms. The solid waste council shall contain at least three members experienced in the private recycling industry and at least one member experienced in each of the following areas: state and municipal finance; solid waste collection, processing, and disposal; and solid waste reduction and resource recovery.

(c) The hazardous waste council shall have not less than nine nor more than 18 members. The membership of the hazardous waste advisory council shall consist of one-third citizen representatives, one-third representatives from local government units, and one-third representatives of hazardous waste generators and private hazardous waste management firms.

(d) The chairs of the advisory councils shall be appointed by the chair of the board. The chair of the board shall provide administrative and staff services for the advisory councils. The advisory councils shall have such duties as are assigned by law or the chair of the board. The solid waste advisory council shall make recommendations to the board on its solid waste management activities. The hazardous waste advisory council shall make recommendations to

the board on its activities under sections 115A.08, 115A.09, 115A.10, 115A.11, 115A.20, 115A.21, and 115A.24. Members of the advisory councils shall serve without compensation but shall be reimbursed for their reasonable expenses as determined by the chair of the board. The solid waste management advisory council and the hazardous waste management planning council expire as provided in section 15.059, subdivision 5.

Sec. 2. Minnesota Statutes 1988, section 115A.48, subdivision 3, is amended to read:

Subd. 3. [PUBLIC PROCUREMENT.] The board shall provide technical assistance and advice to political subdivisions and other public agencies to encourage solid waste reduction and development of markets for recyclable materials and compost through procurement policies and practices. Political subdivisions, educational institutions, and other public agencies shall aggressively pursue procurement practices that encourage solid waste reduction, recycling, and development of markets for recyclable materials and compost and shall, whenever practical, procure products containing recycled materials.

Sec. 3: Minnesota Statutes 1988, section 115A.48, is amended by adding a subdivision to read:

Subd. 4. [RECYCLING TRANSPORTATION SYSTEM.] The board shall, in consultation with local government units and other interested persons, develop a cooperative and comprehensive program to enhance existing systems to transport recyclable materials to market. The board must begin implementation by September 1, 1990.

Sec. 4. Minnesota Statutes 1988, section 115A.48, is amended by adding a subdivision to read:

Subd. 5. [MARKET DEVELOPMENT PROJECTS.] (a) The board shall make grants and loans and shall provide technical assistance to persons for research and development or for the acquisition and betterment of projects that develop markets or end uses for recyclable materials. At least 50 percent of all funds appropriated under article 9 for market development under this section must be used to support county market development efforts. Grants to counties for market development must be made available to those counties that achieve significant land disposal abatement through use of source separation of recyclable materials. The board may use any means specified in section 115A.52 to provide technical assistance.

(b) A project may receive a loan for up to 50 percent of the capital cost of the project or \$2,000,000, whichever is less.

(c) A project may receive a grant for up to 25 percent of the capital cost of the project or \$500,000, whichever is less.

(d) The board shall adopt rules for the program including rules to determine which counties that have developed recycling programs are in immediate need of market development assistance for the purposes of article 8, section 2, subdivision 4.

Sec. 5. [116J.99] [SOLID WASTE RECYCLING; PRIORITY IN GRANTING ASSISTANCE.]

Whenever practical, the commissioner, in approving grants under this chapter, shall place a priority on those businesses or projects that recycle solid waste, transport recyclable materials, or develop end uses or markets for recyclable materials or that develop transportation equipment or systems for recyclable materials. For the purposes of this section, the terms "solid waste" and "recyclable materials" have the meanings given them in section 115A.03.

ARTICLE 4

PROBLEM MATERIALS

Section 1. Minnesota Statutes 1988, section 18B.01, is amended by adding a subdivision to read:

Subd. 24a. [RETURNABLE CONTAINER.] "Returnable container" means a container for distributing pesticides that enables the empty container and unused pesticide product to be returned to the distributor, manufacturer, or packager and facilitates the refilling or reuse of the container. Returnable container includes bulk, minibulk, or dedicated containers designed to protect the integrity of the pesticide and prevent contamination through the introduction of unauthorized materials.

Sec. 2. [18B.141] [SALE OF PESTICIDES IN RETURNABLE CONTAINERS AND MANAGEMENT OF UNUSED PORTIONS.]

(a) After July 1, 1994, no person shall distribute, offer for sale, or sell any pesticide product in containers that do not:

(1) accommodate the return of the empty container and any unused portion of the pesticide to the seller, distributor, or registrant; and

(2) facilitate the refilling or reusing of the pesticide container.

(b) After July 1, 1994, a person distributing, offering for sale, or selling any pesticide in returnable containers shall accept from any pesticide end user empty returnable pesticide containers and any

unused portion of pesticide that remains in the original container if the pesticide was purchased after July 1, 1994.

(c) Pesticide products packaged solely for household use are exempt from the requirements of this section.

(d) The commissioner may adopt rules to implement this section including procedures and standards prescribing the exemption of certain pesticide products and pesticide containers.

Sec. 3. Minnesota Statutes 1988, section 115A.03, is amended by adding a subdivision to read:

Subd. 24a. [PROBLEM MATERIAL.] "Problem material" means a material that, when it is processed or disposed of with mixed municipal solid waste, contributes to one of the following results:

(1) the release of a hazardous substance, or pollutant or contaminant, as defined in section 115B.02, subdivisions 8, 13, and 15;

(2) pollution of water as defined in section 115.01, subdivision 5;

(3) air pollution as defined in section 116.06, subdivision 3; or

(4) a significant threat to the safe or efficient operation of a solid waste processing facility.

Sec. 4. Minnesota Statutes 1988, section 115A.03, is amended by adding a subdivision to read:

Subd. 38. [WHITE GOODS.] "White goods" means major household appliances including household clothes washers and dryers, dishwashers, hot water heaters, garbage disposals, trash compactors, conventional ovens, ranges or stoves, air conditioners, refrigerators, and freezers.

Sec. 5. [115A.952] [RETAIL SALE OF PROBLEM MATERIALS; UNIFORM LABELING AND CONSUMER INFORMATION.]

Subdivision 1. [DUTIES OF AGENCY; RULES.] The agency shall adopt rules to identify products used primarily for personal, family, or household purposes that constitute a problem material or contain a problem material as defined in section 3. The rules must also prescribe a uniform label to be used by retailers of identified products as provided in subdivision 3. The rules must identify products that constitute a problem material or contain a problem material from at least the following categories:

(1) drain cleaners, oven cleaners, and wood and metal cleaners and polishes;

(2) automotive fuel additives, grease and rust solvents, carburetor and fuel injection cleaners, and starter fluids;

(3) herbicides, insecticides, fungicides, and wood preservatives;

(4) paint and paint thinners, paint strippers, and adhesives; or

(5) household batteries, as defined in section 9, and products containing nickel-cadmium batteries.

The agency may adopt rules to identify additional products that meet the criteria provided in this subdivision. Packaging that is recyclable or that is made from recycled material is not a problem material.

Subd. 2. [PREPARATION AND SUPPLY OF MATERIALS.] The agency shall prepare and supply to retailers, without charge to the retailers, the labels and informational materials required to comply with subdivision 3. Informational materials must include specific instructions on environmentally sound ways to use identified products and to handle them when the products or their containers are discarded.

Subd. 3. [DUTIES OF RETAILERS.] A person who sells or offers for sale at retail any product that is identified pursuant to rules of the agency adopted under subdivision 1 shall:

(1) affix a uniform label as prescribed by the rules in a prominent location upon or near the display area of the product. If the adjacent display area is a shelf, the label shall be affixed to the price information for the product on the shelf. The label shall not be directly affixed to any product; and

(2) maintain and prominently display informational materials supplied by the agency at the location where identified products covered by the materials are sold or offered for sale.

Sec. 6. [115A.954] [WHITE GOODS.]

A person may not place white goods in mixed municipal solid waste or dispose of white goods in a solid waste processing or disposal facility after January 1, 1990. The agency may enforce this section pursuant to section 115.071.

Sec. 7. Minnesota Statutes 1988, section 115A.96, subdivision 2, is amended to read:

Subd. 2. [MANAGEMENT PROGRAM.] The agency shall establish a statewide program to manage household hazardous wastes. The program must include:

- (1) the establishment and operation of collection sites; and
- (2) the provision of information, education, and technical assistance regarding proper management of household hazardous wastes.

Sec. 8. Minnesota Statutes 1988, section 115A.96, is amended by adding a subdivision to read:

Subd. 6. [HOUSEHOLD HAZARDOUS WASTE MANAGEMENT PLANS.] Each county shall include in its solid waste management plan required in section 115A.46 or its solid waste master plan required in section 473.803 a household hazardous waste management plan. The plan must at least:

- (1) include a broad based public education component;
- (2) include a strategy for reduction of household hazardous waste; and
- (3) address separation of household hazardous waste from mixed municipal solid waste and the collection, storage, and disposal of that waste.

Each county required to submit its plan to the board under section 115A.46 shall amend its plan to comply with this subdivision within one year after the effective date of this section.

Each county in the state shall implement its household hazardous waste management plan by December 31, 1991.

Sec. 9. [115A.961] [HOUSEHOLD BATTERIES; COLLECTION, PROCESSING, AND DISPOSAL.]

Subdivision 1. [DEFINITION.] For the purposes of this section, "household batteries" means disposable or rechargeable dry cells commonly used as power sources for household or consumer products including, but not limited to, nickel-cadmium, alkaline, mercuric oxide, silver oxide, zinc oxide, lithium, and carbon-zinc batteries, but excluding lead acid batteries.

Subd. 2. [PROGRAM.] The board, in consultation with other state agencies, political subdivisions, and representatives of the household battery industry, shall develop household battery programs.

The board shall investigate options and develop guidelines for collection, processing, and disposal of household batteries. The options the board shall investigate include:

- (1) establishing a grant program for counties to plan and implement household battery collection, processing, and disposal projects;

(2) establishing collection and transportation systems;

(3) developing and disseminating educational materials regarding environmentally sound battery management; and

(4) developing markets for materials recovered from the batteries.

The board may also distribute funds to political subdivisions to develop battery management plans and implement those plans.

Subd. 3. [PARTICIPATION.] A political subdivision, on its own or in cooperation with others, may implement a program to collect, process, or dispose of household batteries. A political subdivision may provide financial incentives to any person, including public or private civic groups, to collect the batteries.

Subd. 4. [REPORT.] By November 1, 1990, the board shall report to the legislative commission on waste management on its activities under this section with recommendations for legislation necessary to address management of household batteries.

Sec. 10. Minnesota Statutes 1988, section 116.07, is amended by adding a subdivision to read:

Subd. 4j. [HOUSEHOLD HAZARDOUS WASTE MANAGEMENT.] The agency shall adopt rules to require the owner or operator of a solid waste disposal facility or resource recovery facility to submit a management plan for the separation of household hazardous waste. The plan must include:

(1) participation in public education activities on household hazardous waste management in the facility's service area;

(2) a strategy for reduction of household hazardous waste entering the facility; and

(3) a plan for the storage and disposal of separated household hazardous waste.

After January 1, 1991, the agency may not grant or renew a permit for a facility that has not submitted a household hazardous waste management plan.

Sec. 11. Minnesota Statutes 1988, section 325E.115, subdivision 1, is amended to read:

Subdivision 1. [SURCHARGE; COLLECTION; NOTICE.] (a) A person selling lead acid batteries at retail or offering lead acid batteries for retail sale in this state shall:

(1) accept, at the point of transfer, lead acid batteries from customers; and

(2) charge a fee of \$5 per battery sold unless the customer returns a used battery to the retailer; and

(3) post written notice, which must be at least 8½ inches by 11 inches in size and must contain the universal recycling symbol and the following language:

(i) "It is illegal to put a motor vehicle battery in the garbage.";

(ii) "Recycle your used batteries."; and

(iii) "State law requires us to accept motor vehicle batteries for recycling."

(b) Any person selling lead acid batteries at wholesale or offering lead acid batteries for sale at wholesale must accept, at the point of transfer, lead acid batteries from customers.

Sec. 12. [473.804] [HOUSEHOLD HAZARDOUS WASTE MANAGEMENT.]

By December 31, 1991, each metropolitan county shall develop and implement a permanent program to manage household hazardous waste. Each program must include at least quarterly collection of wastes. Each program must be consistent with the adopted council's policy plan and must be described as part of each county's solid waste master plan revision as required under section 473.803, subdivision 1.

Sec. 13. [PESTICIDE CONTAINER COLLECTION AND RECYCLING PILOT PROJECT.]

Subdivision 1. [PESTICIDE; DEFINITION.] For the purposes of this section, "pesticide" means a substance or mixture of substances intended to prevent, destroy, repel, or mitigate a pest, and a substance or mixture of substances intended for use as a plant regulator, defoliant, or desiccant.

Subd. 2. [PROJECT.] The department of agriculture, in consultation and cooperation with the commissioner of the pollution control agency, shall design and implement a pilot collection project, to be completed by June 30, 1991, to:

(1) collect and recycle empty, triple-rinsed pesticide containers;

(2) develop, demonstrate, and promote proper pesticide container management; and

(3) evaluate the current pesticide container management methods and the cause and extent of the problems associated with pesticide containers.

Subd. 3. [COLLECTION AND DISPOSAL.] The department of agriculture shall provide for the establishment and operation of temporary collection sites for pesticide containers. The department of agriculture may limit the type and quantity of pesticide containers acceptable for collection.

Subd. 4. [INFORMATION AND EDUCATION.] The department of agriculture shall develop informational and educational materials to promote proper methods of pesticide container management.

Subd. 5. [REPORT.] During the pilot project, the department of agriculture shall conduct surveys and collect information on proper and improper pesticide container storage and disposal. By November 30, 1991, the department of agriculture shall report to the legislature its conclusions from the project and recommendations for additional legislation or rules governing management of pesticide containers.

Subd. 6. [MANAGEMENT AND DISPOSAL.] The department of agriculture or other entity collecting pesticide containers must manage and dispose of the containers in compliance with applicable federal and state requirements.

ARTICLE 5

LITTER

Section 1. [115A.99] [LITTER; CIVIL PENALTY.]

Any person who unlawfully places any portion of solid waste in or on public or private lands, shorelands, roadways, or waters is subject to a civil penalty of not less than twice nor more than five times the amount of cost incurred by any governmental agency or political subdivision to remove, process, and dispose of the waste. A governmental agency or political subdivision that incurs cost as described in this section may bring an action to recover the civil penalty, any related legal, administrative, and court costs, and damages for injury to or pollution of the lands, shorelands, roadways, or waters where the waste was placed if owned or managed by the entity bringing the action.

Civil penalties paid under this section must be deposited in the general fund of the jurisdiction enforcing the penalties.

If the property where waste was unlawfully placed was owned by a private person, that person, in order to recover damages for injury

to the property, may join any action to recover a civil penalty brought under this section.

Sec. 2. [115A.991] [LITTER; GRANTS.]

The board may make grants to each county that has included in its solid waste plan required in section 115A.46, or its solid waste master plan required in section 473.803, programs to prevent, control, or abate litter. The board shall establish eligibility criteria for grants including the required level of matching funds from applicants.

Sec. 3. [116C.36] [LITTER PREVENTION; CONTROL; ABATEMENT.]

Subdivision 1. [DUTIES OF BOARD.] The board shall coordinate state and local efforts to prevent, control, and abate litter through an interagency committee described in subdivision 2. By November 1, 1991, the board shall report to the waste management board on the problems of litter prevention, control, and abatement including the advisability of creating a permanent statewide system for state and local programs and coordination to address litter and shall also report its findings, together with its recommendations for legislation to address those problems, to the governor.

ARTICLE 6

WASTE EDUCATION

Section 1. Minnesota Statutes 1988, section 115A.072, is amended to read:

115A.072 [PUBLIC EDUCATION ON WASTE MANAGEMENT.]

Subdivision 1. [WASTE EDUCATION; COALITION.] The board shall provide for the development and implementation of a program of general public education on waste management in cooperation and coordination with the pollution control agency, metropolitan council, department of education, department of agriculture, state planning agency, environmental quality board, environmental education board, educational institutions, and other public agencies with responsibility for waste management or public education, and three other persons who represent private industry and who have knowledge of or expertise in recycling and solid waste management issues. The objectives of the program are to: develop increased public awareness of and interest in environmentally sound waste management methods; encourage better informed decisions on waste management issues by business, industry, local governments, and the public; and disseminate practical information about ways in which

households and other institutions and organizations can improve the management of waste.

Subd. 2. [BOARD DUTIES.] In addition to its general duties established in subdivision 1, the board shall:

(1) develop a statewide waste management public education campaign with materials that may be easily adapted by political subdivisions to meet their program needs;

(2) develop and make available to schools educational curricula on waste education for grades kindergarten to 12 to address at least waste reduction, recycling, litter, and proper management and disposal of problem materials as defined in article 4, section 3; and

(3) provide grants to governmental agencies for the purposes of developing and distributing waste education information and may provide grants to any education facility for the other purposes specified in subdivision 3.

Subd. 3. [EDUCATION GRANTS; MODEL SCHOOL PROGRAM.] The board shall provide grants to school districts, education districts, or ECSU's for the purpose of developing and distributing waste education information to students in kindergarten through grade 12.

The board shall provide grants and technical assistance to school districts, education districts, or ECSU's to develop and implement a model program to incorporate waste reduction, recycling, litter prevention, and proper management of problem materials into the education curriculum.

The board shall provide grants or awards to school districts, education districts, or ECSU's to develop or implement ongoing waste reduction, recycling, litter prevention, and proper management of problem materials programs.

Subd. 4. [COORDINATION; UNIVERSITY.] Whenever practical the board shall request assistance from the University of Minnesota and the university's extension service, and other post-secondary institutions, in developing and distributing waste education materials.

Sec. 2. [WASTE EDUCATION; CURRICULUM.]

The state board of education and the department of education shall include waste education components in the model learner outcomes and essential learner outcomes developed for environmental education under section 126.663, subdivisions 2 and 3.

ARTICLE 7

REPORTS, STUDIES AND TASK FORCES

Section 1. [REPORTS; STUDIES.] (a) By November 1 of each year the waste management board, in consultation with the pollution control agency, the state planning agency, the metropolitan council and the department of administration where applicable, shall prepare an analysis and report to the legislative commission on waste management on:

(1) implementation of county recycling programs and county progress in attaining the recycling goals in article 3, section 4;

(2) how funds were distributed during the previous fiscal year to counties under article 2, section 6 and how the money was spent, including the resulting impacts on statewide solid waste management; and

(3) how other funds appropriated to state agencies for the purposes of this act were expended.

(b) The pollution control agency, in coordination with the waste management board and the metropolitan council where applicable, shall present to the legislative commission on waste management:

(1) by November 1, 1991, an analysis of the statewide and regional composition of solid waste using existing and newly gathered data, including information on recyclables and noncombustibles in the waste, generation data and other solid waste characteristics;

(2) by November 1, 1991, a report of the agency's progress in establishing permanent household hazardous waste collection sites; and

(3) by November 1, 1990, a report on the proper management and disposal of waste paint, polychlorinated biphenyl capacitors of three pounds or less in white goods and other electrical devices, and household water and automotive filters that collect pollutants or contaminants.

(c) The reports required by paragraphs (a) and (b) may be combined where possible and may contain recommendations for legislative action.

Sec. 2. [TASK FORCES.]

The waste management board, the pollution control agency and the environmental quality board may establish and appoint advisory task forces, councils or committees as necessary for the imple-

mentation of this act. The membership of any task force, council or committee established under this section must be geographically representative of the state and shall include members of state and local government, affected businesses and industries and the public. The appointing agency shall determine whether the members will be compensated, provided that compensation may not exceed that authorized under section 15.059, subdivision 3. Expiration of a task force, council or committee established under this section will be determined by the appointing agency.

ARTICLE 8

FUNDING

Section 1. Minnesota Statutes 1988, section 275.50, subdivision 5, is amended to read:

Subd. 5. Notwithstanding any other law to the contrary for taxes levied in 1988 1989 payable in 1989 1990 and subsequent years, "special levies" means those portions of ad valorem taxes levied by governmental subdivisions to:

(a) pay the costs not reimbursed by the state or federal government, of payments made to or on behalf of recipients of aid under any public assistance program authorized by law, and the costs of purchase or delivery of social services. Except for the costs of general assistance as defined in section 256D.02, subdivision 4, general assistance medical care under section 256D.03 and the costs of hospital care pursuant to section 261.21, the aggregate amounts levied pursuant to this clause are subject to a maximum increase of 18 percent over the amount levied for these purposes in the previous year. Effective with taxes levied in 1989, the portion of this special levy for income maintenance programs identified in section 273.1398, subdivision 1, paragraph (i), is eliminated;

(b) pay the costs of principal and interest on bonded indebtedness except on bonded indebtedness issued under section 471.981, subdivisions 4 to 4c or to reimburse for the amount of liquor store revenues used to pay the principal and interest due in the year preceding the year for which the levy limit is calculated on municipal liquor store bonds;

(c) pay the costs of principal and interest on certificates of indebtedness, except tax anticipation or aid anticipation certificates of indebtedness, issued for any corporate purpose except current expenses or funding an insufficiency in receipts from taxes or other sources or funding extraordinary expenditures resulting from a public emergency; and to pay the cost for certificates of indebtedness issued pursuant to sections 298.28 and 298.282;

(d) fund the payments made to the Minnesota state armory building commission pursuant to section 193.145, subdivision 2, to retire the principal and interest on armory construction bonds;

(e) provide for the bonded indebtedness portion of payments made to another political subdivision of the state of Minnesota;

(f) pay the amounts required, in accordance with section 275.075, to correct for a county auditor's error of omission but only to the extent that when added to the preceding year's levy it is not in excess of an applicable statutory, special law or charter limitation, or the limitation imposed on the governmental subdivision by sections 275.50 to 275.56 in the preceding levy year;

(g) pay amounts required to correct for an error of omission in the levy certified to the appropriate county auditor or auditors by the governing body of a city or town with statutory city powers in a levy year, but only to the extent that when added to the preceding year's levy it is not in excess of an applicable statutory, special law or charter limitation, or the limitation imposed on the governmental subdivision by sections 275.50 to 275.56 in the preceding levy year;

(h) pay amounts required by law to be paid to pay the interest on and to reduce the unfunded accrued liability of public pension funds in accordance with the actuarial standards and guidelines specified in sections 356.215 and 356.216 reduced by 106 percent of the amount levied for that purpose in 1976, payable in 1977. For the purpose of this special levy, the estimated receipts expected from the state of Minnesota pursuant to sections 69.011 to 69.031 or any other state aid expressly intended for the support of public pension funds shall be considered as a deduction in determining the required levy for the normal costs of the public pension funds. No amount of these aids shall be considered as a deduction in determining the governmental subdivision's required levy for the reduction of the unfunded accrued liability of public pension funds;

(i) to compensate the state for the cost of a reassessment ordered by the commissioner of revenue pursuant to section 270.16; and

(j) pay the debt service on tax increment financing revenue bonds to the extent that revenue to pay the bonds or to maintain reserves for the bonds is insufficient as a result of the provisions of Laws 1988, chapter 719, article 5; and

(k) pay an amount of up to 25 percent of the money sought for distribution and approved under article 2, section 7, subdivision 3, paragraph (a), clause (3).

Sec. 2. [115A.922] [SOLID WASTE COLLECTION AND DISPOSAL SURCHARGE.]

Subdivision 1. [SURCHARGE.] A surcharge of six percent is imposed on the gross receipts for the collection and disposal of mixed municipal solid waste waste as described in subdivision 2.

Subd. 2. [APPLICATION.] The surcharge imposed by subdivision 1 applies to all public and private mixed municipal solid waste collection and disposal services. A political subdivision that purchases collection or disposal services on behalf of its citizens shall pay the surcharge. A political subdivision that provides collection or disposal services to its citizens without direct charge to the citizens for the service shall pay the surcharge based on the cost to the political subdivision of providing the service. A person who transports mixed municipal solid waste generated by that person or by another person without compensation shall pay the surcharge at the disposal or resource recovery facility based on the disposal charge or tipping fee.

Subd. 3. [EXEMPTIONS.] (a) The cost of a service or the portion of a service to collect recyclable materials separated from mixed municipal solid waste by the waste generator is exempt from the surcharge imposed in subdivision 1.

(b) Waste from a recycling facility that separates or processes recyclable materials and that reduces the volume of the waste by at least 85 percent is exempt from the surcharge. To qualify for this exemption under this paragraph, waste must be brought to the disposal facility separately.

Subd. 4. [COLLECTION.] The commissioner of revenue shall collect the surcharge and shall use the collection procedures and has the enforcement powers under chapters 290 and 297A to collect the surcharge. The commissioner shall deposit 91 percent of the receipts from the surcharge in the environmental fund and nine percent of the receipts in the recycling accounts of counties that have developed recycling programs and are in immediate need of market development assistance, as certified by the waste management board.

ARTICLE 9

APPROPRIATIONS

Section 1. [APPROPRIATIONS.]

\$17,162,000 the first year and \$19,460,000 the second year are appropriated from the environmental fund to the agencies identified and are for the purposes indicated, to be available for the fiscal year ending June 30 in the years indicated.

	1990	1991
	\$	\$
(a) To the Waste Management Board		
(1) For solid waste reduction programs in Article 1	375,000	375,000
(2) For solid waste recycling programs in Article 2	725,000	725,000
(3) For market development programs in Article 3	720,000	1,070,000
(4) For waste education in Article 6	270,000	270,000
(5) For studies in Article 7	200,000	200,000
(6) For distribution to counties under Article 2, section 7	13,500,000	13,500,000
(7) For waste management board operation	400,000	2,085,000

The approved complement of the Waste Management Board is increased by nine full-time complement positions:

Eleven complement positions the first year and 23 complement positions the second year are transferred from the office waste management of the pollution control agency to the waste management board.

(b) To the pollution control agency

(1) For problem materials program in Article 4	835,000	1,085,000
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The approved complement of the pollution control agency is increased by 6 full-time complement positions.

(c) To the department of administration

(1) For the recycling programs in Article 1	100,000	150,000
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The approved complement of the department of administration is increased by one full-time position.

(d) To the department of revenue for administration of Article 8, section 2.

37,000

0

\$116,000 the first year and \$116,000 the second year is appropriated to the department of transportation from the trunk highway fund for the sign development program in Article 2. If the appropriation for either year is insufficient, the appropriation for the other year is available for it."

Amend the title accordingly

With the recommendation that when so amended the bill pass.

The report was adopted.

Anderson, G., from the Committee on Appropriations to which was referred:

H. F. No. 723, A bill for an act relating to veterans; providing for establishment of a veterans home in Luverne; proposing coding for new law in Minnesota Statutes, chapter 198.

Reported the same back with the following amendments:

Page 1, after line 17, insert:

"Sec. 2. [VETERANS HOMES SITING STUDY.]

Subdivision 1. [STUDY AUTHORIZATION.] The commissioner of administration, in cooperation with the veterans home board of directors and the interagency board for quality assurance must by January 1, 1990, complete a study that will assist the legislature to determine:

(1) if additional veterans homes should be established in any regions of the state; and

(2) in which communities homes should be sited if the legislature determines additional homes are necessary.

Subd. 2. [NEED FOR ADDITIONAL VETERANS HOMES.] In analyzing whether additional veterans homes should be established in the state, the study should consider the following factors:

(1) the number of veterans that are projected to need nursing home care in the state and in each region of the state;

(2) the availability and feasibility of other long-term care alternatives for veterans;

(3) the impact of additional veterans homes on existing community nursing homes;

(4) the availability of federal funding for construction and operation of additional veterans homes and the impact of other federal regulations;

(5) the overall cost to the state of a regional system of veterans nursing homes; and

(6) the veterans home board of directors' long-term plan for veterans health care.

Based on these factors, the study shall recommend in which regions of the state, if any, additional veterans homes should be established.

Subd. 3. [ANALYSIS OF SITING ALTERNATIVES.] If the commissioner of administration recommends that additional veterans homes should be established in one or more regions of the state, the study must analyze various potential sites for veterans homes based on the following factors:

(1) proximity to a veterans administration medical center;

(2) proximity to other medical services in the community;

(3) availability of staff to operate a home;

(4) construction costs;

(5) operating costs;

(6) local financial contributions toward construction and operating costs;

(7) physical features of a site; and

(8) the number of veterans needing nursing care in the area.

The commissioner may allow local communities in the affected regions to submit proposals for veterans homes, and the study must recommend in rank order sites for new veterans homes in each affected region giving equal weight to each of the above factors.

Sec. 3. [APPROPRIATION.]

\$50,000 is appropriated from the general fund to the veterans nursing homes board to be transferred to the commissioner of administration to conduct the study required by section 2.

Sec. 4. [REPEALER.]

Section 1 is repealed September 1, 1990, unless the United States Veterans Administration has approved the request to establish a veterans nursing home in Luverne."

Amend the title as follows:

Page 1, line 3, after the semicolon insert "requiring a study; appropriating money;"

With the recommendation that when so amended the bill pass.

The report was adopted.

Anderson, G., from the Committee on Appropriations to which was referred:

H. F. No. 851, A bill for an act relating to courts; increasing certain fees collected by the court administrator; amending Minnesota Statutes 1988, sections 171.06, subdivisions 2 and 4; 357.021, subdivision 2; and 525.22.

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

The report was adopted.

Anderson, G., from the Committee on Appropriations to which was referred:

H. F. No. 960, A bill for an act relating to conservation; changing certain responsibilities; defining certain terms; adopting eligibility criteria; changing agreement terms and payment procedures; providing for enforcement; authorizing sale of certain bonds; appropriating money; amending Minnesota Statutes 1988, sections 40.42;

40.43; 40.44; 40.45; 84.95, subdivision 2; and Laws 1986, chapter 383, section 17, subdivision 4.

Reported the same back with the following amendments:

Page 3, line 25, after the comma insert "provided that no funds are used for compensation for the value of the buildings,"

Pages 11 to 14, delete sections 7, 8, and 9

Amend the title as follows:

Page 1, lines 6 and 7, delete "appropriating money;"

With the recommendation that when so amended the bill pass.

The report was adopted.

Anderson, G., from the Committee on Appropriations to which was referred:

H. F. No. 1066, A bill for an act relating to sentencing; requiring certain county corrections administrators and the commissioner of corrections to gather data on the capacity and usage of local correctional resources and alternative sentencing programs; requiring the sentencing guidelines commission to assist in the performance of these tasks; requiring the commission to develop nonimprisonment guideline options for legislative consideration; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 244.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. [244.12] [LOCAL CORRECTIONAL RESOURCES; DATA COLLECTION; NEEDS ASSESSMENT.]

Subdivision 1. [PURPOSE.] The scarcity of adequate correctional resources at the local level is a crisis that is becoming increasingly acute as crime rates increase and as the state correctional institutions experience similar capacity problems. One way to respond to this problem is to develop a more uniform and structured approach to the use of local correctional resources as a condition of a stayed felony sentence. The purpose of this section is to enable counties, the sentencing guidelines commission, and the legislature to develop a

workable system of nonimprisonment sentencing guidelines based on a clear understanding of local resources, needs, and priorities.

Subd. 2. [DUTIES OF COUNTIES AND COMMISSIONER OF CORRECTIONS.] The corrections administrator for each county or group of counties participating in chapter 401 shall furnish data and information to assist the sentencing guidelines commission in making its determinations under this subdivision as the determinations pertain to the county or counties served by each administrator. In a like manner the commissioner of corrections shall furnish pertinent data on those counties which do not participate in chapter 401. The sentencing guidelines commission, with the assistance of the supreme court, the state planning agency, corrections administrators, and the commissioner of corrections, shall determine how more detailed information can be gathered on a routine basis on local sentencing practices, usage of local correctional resources, and local alternatives to incarceration for convicted felons.

Subd. 3. [NONIMPRISONMENT GUIDELINES PILOT PROJECT.] The commissioner of corrections shall report to the sentencing guidelines commission on the results of its nonimprisonment guidelines pilot project when the project is completed. If the pilot project is not completed by July 1, 1990, the commissioner shall provide an interim report to the commission on or before that date.

Subd. 4. [REPORT.] The sentencing guidelines commission shall report to the legislature on or before February 1, 1991, describing what improvements have been made to address subdivision 2 and whether any legislative action is necessary to implement further improvements.

Delete the title and insert:

“A bill for an act relating to sentencing; requiring certain county corrections administrators and the commissioner of corrections to gather data on the capacity and usage of local correctional resources and alternative sentencing programs; requiring the sentencing guidelines commission to make determinations based on this data; proposing coding for new law in Minnesota Statutes, chapter 244.”

With the recommendation that when so amended the bill pass.

The report was adopted.

Anderson, G., from the Committee on Appropriations to which was referred:

H. F. No. 1163, A bill for an act relating to resource development; requiring a research study on the effect of aspen thinning; appropriating money.

Reported the same back with the following amendments:

Page 2, line 7, delete "\$" and insert "\$100,000"

With the recommendation that when so amended the bill pass.

The report was adopted.

Anderson, G., from the Committee on Appropriations to which was referred:

H. F. No. 1201, A bill for an act relating to the environment; regulating genetic engineering; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 116C.

Reported the same back with the following amendments:

Page 2, line 27, delete "\$" and insert "\$55,000"

With the recommendation that when so amended the bill pass.

The report was adopted.

Anderson, G., from the Committee on Appropriations to which was referred:

S. F. No. 258, A bill for an act relating to state government; regulating state employment practices; regulating the setting of certain salaries; extending inclusion of veterans in the category of protected groups for the purpose of state employment; authorizing an alternative procedure for discharges of state troopers; ratifying certain salaries; amending Minnesota Statutes 1988, sections 15A.083, subdivisions 5 and 7; 43A.02, subdivision 33; 43A.04, subdivisions 1 and 3, and by adding a subdivision; 43A.10, subdivisions 7 and 8; 43A.12, subdivision 5; 43A.13, subdivisions 4, 5, 6, and 7; 43A.15, subdivision 10; 43A.17, subdivision 1; 43A.18, subdivisions 4 and 5; 43A.191, subdivisions 2 and 3; 43A.27, subdivision 4; 43A.316, subdivision 5; 43A.37, subdivision 1;

176.421, by adding a subdivision; and 299D.03, subdivision 7; repealing Minnesota Statutes 1988, section 43A.081, subdivisions 1, 2, and 5.

Reported the same back with the following amendments:

Page 1, after line 19, insert:

"Section 1. Minnesota Statutes 1988, section 15A.081, subdivision 1, is amended to read:

Subdivision 1. [SALARY RANGES.] The governor shall set the salary rate within the ranges listed below for positions specified in this subdivision, upon approval of the legislative commission on employee relations and the legislature as provided by section 43A.18, subdivisions 2 and 5:

Salary Range

Effective

July 1, 1987 1989

~~\$57,500~~ ~~\$78,500~~ \$57,500-\$85,000

Commissioner of finance;
 Commissioner of education;
 Commissioner of transportation;
 Commissioner of human services;
 Commissioner of revenue;
 Executive director, state board of investment;

~~\$50,000~~ ~~\$67,500~~ \$50,000-\$75,000

Commissioner of administration;
 Commissioner of agriculture;
 Commissioner of commerce;
 Commissioner of corrections;
 Commissioner of jobs and training;
 Commissioner of employee relations;
 Commissioner of health;
 Commissioner of labor and industry;
 Commissioner of natural resources;
 Commissioner of public safety;
 Commissioner of trade and economic development;
 Chair, waste management board;
 Chief administrative law judge;
 office of administrative hearings;
 Commissioner, pollution control agency;
 Commissioner, state planning agency;
 Executive director, housing finance agency;

Executive director, public employees retirement association;
 Executive director, teacher's retirement association;
 Executive director, state retirement system;
 Chair, metropolitan council;
 Chair, regional transit board;
 Chair, metropolitan waste control commission

\$42,500-\$60,000 \$42,000-\$65,000

Commissioner of human rights;
 Commissioner, department of public service;
 Commissioner of veterans' affairs;
 Commissioner, bureau of mediation services;
 Commissioner, public utilities commission;
 Member, transportation regulation board;
 Ombudsman for corrections;
 Ombudsman for mental health and retardation.

Sec. 2. Minnesota Statutes 1988, section 15A.081, subdivision 7, is amended to read:

Subd. 7. [PART-TIME METROPOLITAN OFFICERS.] The governor shall set the salary rate within the range set forth below for the following part-time positions position, upon approval of the legislative commission on employee relations and the legislature as provided by section 43A.18, subdivisions 2 and 5:

	Effective July 1, 1987 1989
Chair, metropolitan airports commission	\$15,000-\$25,000 <u>\$15,000-\$27,000</u>
Chair, metropolitan waste control commission	<u>\$25,000-\$35,000</u>

Fringe benefits for unclassified employees of the metropolitan waste control commission shall may not exceed those fringe benefits received by unclassified employees of the metropolitan council."

Page 12, after line 14, insert:

"Sec. 22. Minnesota Statutes 1988, section 43A.23, subdivision 1, is amended to read:

Subdivision 1. [GENERAL.] The commissioner is authorized to request bids from carriers or to negotiate with carriers and to enter into contracts with carriers which in the judgment of the commissioner are best qualified to underwrite and service the benefit plans. Contracts entered into with carriers are not subject to the require-

ments of sections 16B.189 to 16B.22. The commissioner may negotiate premium rates and coverage provisions with all carriers licensed under chapters 62A, 62C, and 62D. The commissioner may also negotiate reasonable restrictions to be applied to all carriers under chapters 62A, 62C, and 62D. Contracts to underwrite the benefit plans must be bid or negotiated separately from contracts to service the benefit plans, which may be awarded only on the basis of competitive bids. The commissioner shall consider the cost of the plans, conversion options relating to the contracts, service capabilities, character, financial position, and reputation of the carriers and any other factors which the commissioner deems appropriate. Each benefit contract must be for a uniform term of at least one year, but may be made automatically renewable from term to term in the absence of notice of termination by either party. The commissioner shall, to the extent feasible, make hospital and medical benefits available from at least one carrier licensed to do business pursuant to each of chapters 62A, 62C and 62D. The commissioner need not provide health maintenance organization services to an employee who resides in an area which is not served by a licensed health maintenance organization. The commissioner may refuse to allow a health maintenance organization to continue as a carrier. The commissioner may elect not to offer all three types of carriers if there are no bids or no acceptable bids by that type of carrier or if the offering of additional carriers would result in substantial additional administrative costs. A carrier licensed under chapter 62A is exempt from the tax imposed by section 60A.15 on premiums paid to it by the state."

Page 15, delete lines 17 to 31 and insert:

"Sec. 27. Minnesota Statutes 1988, section 299D.03, subdivision 7, is amended to read:

Subd. 7. [DISCHARGE OF TROOPER.] Every person employed and designated as a state trooper under and pursuant to the provisions of this section, after ~~six~~ 12 months of continuous employment, shall continue in service and hold the position without demotion, until suspended, demoted, or discharged in the manner hereinafter provided for one or more of the causes specified herein."

Page 16, line 27, delete "1, 2, 15 and 17" and insert "1 to 4, 17, 19, and 22"

Page 16, line 28, delete "20 and 24 to 26" and insert "23 and 27 to 29"

Page 16, line 29, delete "23" and insert "26"

Renumber the sections in sequence

Correct internal cross-references

Amend the title as follows:

Page 1, line 8, after "sections" insert "15A.081, subdivisions 1 and 7;"

Page 1, line 14, after "3;" insert "43A.23, subdivision 1;"

With the recommendation that when so amended the bill pass.

The report was adopted.

Anderson, G., from the Committee on Appropriations to which was referred:

S. F. No. 775, A bill for an act relating to workers' compensation; requiring a report on recodification and simplification of the workers' compensation law; appropriating money.

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

The report was adopted.

SECOND READING OF HOUSE BILLS

H. F. Nos. 150, 207, 376, 404, 417, 723, 851, 960, 1066, 1163 and 1201 were read for the second time.

SECOND READING OF SENATE BILLS

S. F. Nos. 258 and 775 were read for the second time.

MESSAGES FROM THE SENATE

The following message was received from 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. 1764, A bill for an act relating to transportation; changing distribution of highway user taxes; authorizing use of state park road account to improve and maintain city streets and town roads that provide immediate access to state parks and campgrounds; increasing motor vehicle license tax on older vehicles; appropriating money; amending Minnesota Statutes 1988, sections 161.081; 161.082, subdivision 2a; 162.06, subdivision 5; 162.081, subdivision 1; 168.013, subdivision 1a; and 297B.09, subdivision 1.

PATRICK E. FLAHAVEN, Secretary of the Senate

Kalis moved that the House refuse to concur in the Senate amendments to H. F. No. 1764, 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.

ANNOUNCEMENT BY THE SPEAKER

The Speaker announced the appointment of the following members of the House to a Conference Committee on H. F. No. 1764:

Kalis, Lasley, Redalen, Brown and Steensma.

CONSIDERATION UNDER RULE 1.10

Pursuant to rule 1.10, Long requested immediate consideration of S. F. Nos. 1278, 1239 and 46; H. F. No. 1181; and S. F. Nos. 1101 and 54.

S. F. No. 1278, A bill for an act relating to taxation; extending the duration of a property tax exemption for land held for economic development by the city of Hermantown; amending Laws 1988, chapter 719, article 19, section 31.

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

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

Those who voted in the affirmative were:

Abrams

Anderson, G.

Battaglia

Bauerly

Beard

Begich	Hartle	Lynch	Otis	Skoglund
Bennett	Hasskamp	Macklin	Ozment	Solberg
Bertram	Haukoos	Marsh	Pappas	Sparby
Bishop	Heap	McDonald	Pauly	Stanius
Blatz	Henry	McEachern	Pellow	Steenasma
Boo	Himle	McGuire	Pelowski	Sviggun
Brown	Hugoson	McLaughlin	Peterson	Swenson
Burger	Jacobs	McPherson	Poppenhagen	Tjornhom
Carlson, D.	Janezich	Milbert	Price	Tompkins
Carlson, L.	Jaros	Miller	Pugh	Trimble
Carruthers	Jefferson	Morrison	Quinn	Tunheim
Clark	Jennings	Munger	Redalen	Uphus
Conway	Johnson, A.	Murphy	Reding	Valento
Cooper	Johnson, R.	Nelson, C.	Rest	Vellenga
Dauner	Johnson, V.	Nelson, K.	Rice	Wagenius
Dawkins	Kahn	Neuenschwander	Richter	Waltman
Dempsey	Kalis	O'Connor	Rodosovich	Weaver
Dille	Kelly	Ogren	Rukavina	Welle
Dorn	Kelso	Olson, S.	Runbeck	Wenzel
Forsythe	Kinkel	Olson, E.	Sarna	Williams
Frederick	Knickerbocker	Olson, K.	Schafer	Winter
Frerichs	Kostohryz	Omann	Scheid	Wynia
Girard	Krueger	Onnen	Schreiber	Spk. Vanasek
Greenfield	Lasley	Orenstein	Seaberg	
Gruenes	Limmer	Osthoff	Segal	
Gutknecht	Long	Ostrom	Simoneau	

The bill was passed and its title agreed to.

S. F. No. 1239, A bill for an act relating to Roseau county; providing increased bonding authority for hospital districts in the county; amending Laws 1961, chapter 115, section 4, as amended.

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

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

Those who voted in the affirmative were:

Abrams	Dawkins	Jaros	Marsh	Onnen
Anderson, G.	Dempsey	Jefferson	McDonald	Orenstein
Battaglia	Dille	Jennings	McEachern	Ostrom
Bauerly	Dorn	Johnson, A.	McGuire	Otis
Beard	Forsythe	Johnson, R.	McLaughlin	Ozment
Begich	Frederick	Johnson, V.	McPherson	Pappas
Bennett	Frerichs	Kahn	Milbert	Pauly
Bertram	Girard	Kalis	Miller	Pellow
Bishop	Greenfield	Kelly	Morrison	Pelowski
Blatz	Gruenes	Kelso	Munger	Peterson
Boo	Gutknecht	Kinkel	Murphy	Poppenhagen
Brown	Hartle	Knickerbocker	Nelson, C.	Price
Burger	Hasskamp	Kostohryz	Nelson, K.	Pugh
Carlson, D.	Haukoos	Krueger	Neuenschwander	Quinn
Carlson, L.	Heap	Lasley	O'Connor	Redalen
Carruthers	Henry	Lieder	Ogren	Reding
Clark	Himle	Limmer	Olson, S.	Rest
Conway	Hugoson	Long	Olson, E.	Richter
Cooper	Jacobs	Lynch	Olson, K.	Rodosovich
Dauner	Janezich	Macklin	Omann	Rukavina

Runbeck	Segal	Steensma	Uphus	Welle
Sarna	Simoneau	Sviggum	Valento	Wenzel
Schafer	Skoglund	Swenson	Vellenga	Williams
Scheid	Solberg	Tjornhom	Wagenius	Winter
Schreiber	Sparby	Tompkins	Waltman	Wynia
Seaberg	Stanius	Tunheim	Weaver	Spk. Vanasek

The bill was passed and its title agreed to.

S. F. No. 46, A bill for an act relating to taxation; exempting leased hangars at airports in small cities from property taxation; amending Minnesota Statutes 1988, sections 272.01, subdivision 2; and 273.19, 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 4 nays as follows:

Those who voted in the affirmative were:

Abrams	Greenfield	Lieder	Orenstein	Seaberg
Anderson, G.	Gruenes	Limmer	Osthoff	Segal
Battaglia	Gutknecht	Long	Ostrom	Simoneau
Bauerly	Hartle	Lynch	Otis	Solberg
Beard	Hasskamp	Macklin	Ozment	Sparby
Begich	Haukoos	Marsh	Pappas	Stanius
Bennett	Heap	McDonald	Pauly	Steensma
Bertram	Henry	McEachern	Pellow	Sviggum
Bishop	Hugoson	McGuire	Pelowski	Swenson
Blatz	Jacobs	McLaughlin	Peterson	Tjornhom
Boo	Janezich	McPherson	Poppenhagen	Tompkins
Brown	Jaros	Milbert	Price	Trimble
Burger	Jefferson	Miller	Pugh	Tunheim
Carlson, D.	Jennings	Morrison	Quinn	Uphus
Carlson, L.	Johnson, A.	Munger	Redalen	Valento
Clark	Johnson, R.	Murphy	Reding	Vellenga
Conway	Johnson, V.	Nelson, C.	Rest	Wagenius
Cooper	Kahn	Nelson, K.	Rice	Waltman
Dauner	Kalis	Neuenschwander	Richter	Weaver
Dempsey	Kelly	O'Connor	Rodosovich	Welle
Dille	Kelso	Ogren	Rukavina	Wenzel
Dorn	Kinkel	Olsen, S.	Runbeck	Williams
Forsythe	Knickerbocker	Olson, E.	Sarna	Winter
Frederick	Kostohryz	Olson, K.	Schafer	Wynia
Frerichs	Krueger	Omamn	Scheid	Spk. Vanasek
Girard	Lasley	Onnen	Schreiber	

Those who voted in the negative were:

Carruthers	Dawkins	Himle	Skoglund
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The bill was passed and its title agreed to.

H. F. No. 1181 was reported to the House.

Carruthers and Ozment moved to amend H. F. No. 1181, the second engrossment, as follows:

Page 1, after line 9, insert:

"Section 1. Minnesota Statutes 1988, section 273.111, subdivision 4, is amended to read:

Subd. 4. The value of any real estate described in subdivision 3 shall upon timely application by the owner, in the manner provided in subdivision 8, be determined solely with reference to its appropriate agricultural classification and value notwithstanding sections 272.03, subdivision 8 and 273.11. In determining such the value for ad valorem tax purposes, the assessor shall use sales data obtained from agricultural lands located outside the seven metropolitan counties having similar soil types, number of degree days and other similar agricultural characteristics as provided in section 273.11, subdivision 10; and furthermore the assessor shall not consider any added values resulting from nonagricultural factors."

Renumber the sections in sequence

Page 11, line 18, delete "This act" and insert "Sections 2 to 11 and 13"

Page 11, line 24, delete "6, 7, 10, and 12" and insert "1, 7, 8, 11 and 13"

Amend the title as follows:

Page 1, line 3, after "budgets;" insert "clarifying the valuation of certain agriculture land;" and after "sections" insert "273.111, subdivision 4;"

The motion prevailed and the amendment was adopted.

H. F. No. 1181, A bill for an act relating to metropolitan government; regulating budgets; clarifying the valuation of certain agriculture land; amending Minnesota Statutes 1988, sections 273.111, subdivision 4; 473.145; 473.1623, subdivision 4, and by adding subdivisions; 473.167, subdivisions 2, 3, and 5; 473.173, subdivisions 3 and 4; 473.249, subdivision 1; repealing Minnesota Statutes 1988, section 473.249, 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 129 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Abrams	Girard	Lasley	Onnen	Segal
Anderson, G.	Greenfield	Lieder	Orenstein	Simoneau
Battaglia	Gruenes	Limmer	Ostrom	Skoglund
Bauerly	Gutknecht	Long	Otis	Solberg
Beard	Hartle	Lynch	Ozment	Sparby
Begich	Hasskamp	Macklin	Pappas	Stanius
Bennett	Haukoos	Marsh	Pauly	Steensma
Bertram	Heap	McDonald	Pellow	Svigum
Bishop	Henry	McEachern	Pelowski	Swenson
Blatz	Himle	McGuire	Peterson	Tjornhom
Boo	Hugoson	McLaughlin	Poppenhagen	Tompkins
Brown	Jacobs	McPherson	Price	Trimble
Carlson, D.	Janezich	Milbert	Pugh	Tunheim
Carlson, L.	Jaros	Miller	Quinn	Uphus
Carruthers	Jefferson	Morrison	Redalen	Valento
Clark	Jennings	Munger	Reding	Vellenga
Conway	Johnson, R.	Murphy	Rest	Wagenius
Cooper	Johnson, V.	Nelson, C.	Rice	Waltman
Dauner	Kahn	Nelson, K.	Richter	Weaver
Dawkins	Kalis	Neuenschwander	Rodosovich	Welle
Dempsey	Kelly	O'Connor	Rukavina	Wenzel
Dille	Kelso	Ogren	Runbeck	Williams
Dorn	Kinkel	Olsen, S.	Sarna	Winter
Forsythe	Knickerbocker	Olson, E.	Schafer	Wynia
Frederick	Kostohryz	Olson, K.	Schreiber	Spk. Vanasek
Frerichs	Krueger	Omann	Seaberg	

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

S. F. No. 1101, A bill for an act relating to St. Louis county; regulating budget procedures; providing for certain recorder's fees; allowing the county to assess the cost of maintenance of television relay service; proposing coding for new law in Minnesota Statutes, chapter 383C; repealing Minnesota Statutes 1988, sections 383C.01, 383C.011, 383C.012, 383C.013, 383C.014, 383C.015, 383C.016, 383C.017, 383C.018, and 383C.019.

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

The question was taken on the passage of the bill and the roll was called. There were 129 yeas and 1 nay as follows:

Those who voted in the affirmative were:

Abrams	Burger	Forsythe	Hugoson	Kelso
Anderson, G.	Carlson, D.	Frerichs	Jacobs	Kinkel
Battaglia	Carlson, L.	Girard	Janezich	Knickerbocker
Bauerly	Carruthers	Greenfield	Jaros	Kostohryz
Beard	Clark	Gruenes	Jefferson	Krueger
Begich	Conway	Gutknecht	Jennings	Lasley
Bennett	Cooper	Hartle	Johnson, A.	Lieder
Bertram	Dauner	Hasskamp	Johnson, R.	Limmer
Bishop	Dawkins	Haukoos	Johnson, V.	Long
Blatz	Dempsey	Heap	Kahn	Lynch
Boo	Dille	Henry	Kalis	Macklin
Brown	Dorn	Himle	Kelly	Marsh

McDonald	Ogren	Peterson	Scheid	Tunheim
McEachern	Olsen, S.	Poppenhagen	Schreiber	Uphus
McGuire	Olson, E.	Price	Seaberg	Valento
McLaughlin	Omann	Pugh	Simoneau	Vellenga
McPherson	Onnen	Quinn	Skoglund	Wagenius
Milbert	Orenstein	Redalen	Solberg	Waltman
Miller	Osthoff	Reding	Sparby	Weaver
Morrison	Ostrom	Rest	Stanius	Welle
Munger	Otis	Rice	Steensma	Wenzel
Murphy	Ozment	Rodosovich	Swiggum	Williams
Nelson, C.	Pappas	Rukavina	Swenson	Winter
Nelson, K.	Pauly	Runbeck	Tjornhom	Wynia
Neuenschwander	Pellow	Sarna	Tompkins	Spk. Vanasek
O'Connor	Pelowski	Schafer	Trimble	

Those who voted in the negative were:

Frederick

The bill was passed and its title agreed to.

S. F. No. 54, A bill for an act relating to the city of Edina; authorizing the city to operate a public transit system and to acquire necessary equipment; land, and interests in land; permitting the establishment of special service districts in the city; providing that the city and the housing and redevelopment authority need not require competitive bidding and bonds in connection with certain redevelopment projects.

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	Dille	Johnson, R.	Milbert	Pelowski
Anderson, G.	Dorn	Johnson, V.	Miller	Peterson
Battaglia	Forsythe	Kahn	Morrison	Poppenhagen
Bauerly	Frederick	Kalis	Munger	Price
Beard	Frerichs	Kelly	Murphy	Pugh
Begich	Girard	Kelso	Nelson, C.	Quinn
Bennett	Greenfield	Kinkel	Nelson, K.	Redalen
Bertram	Gruenes	Knickerbocker	Neuenschwander	Reding
Bishop	Gutknecht	Kostohryz	O'Connor	Rest
Blatz	Hartle	Krueger	Ogren	Rice
Boo	Hasskamp	Lasley	Olsen, S.	Richter
Brown	Haukoos	Lieder	Olson, E.	Rodosovich
Burger	Heap	Limmer	Olson, K.	Rukavina
Carlson, D.	Henry	Long	Omann	Runbeck
Carlson, L.	Himle	Lynch	Onnen	Sarna
Carruthers	Hugoson	Macklin	Orenstein	Schafer
Clark	Jacobs	Marsh	Ostrom	Scheid
Conway	Janezich	McDonald	Otis	Schreiber
Cooper	Jaros	McEachern	Ozment	Seaberg
Dauner	Jefferson	McGuire	Pauly	Segal
Dawkins	Jennings	McLaughlin	Pellow	Simoneau
Dempsey	Johnson, A.	McPherson		Skoglund

Solberg	Swenson	Uphus	Weaver	Wynia
Sparby	Tjornhom	Valento	Welle	Spk. Vanasek
Stanius	Tompkins	Vellenga	Wenzel	
Steensma	Trimble	Wagenius	Williams	
Sviggunn	Tunheim	Waltman	Winter	

The bill was passed and its title agreed to.

The Speaker resumed the Chair.

There being no objection, the order of business reverted to Messages from the Senate.

MESSAGES FROM THE SENATE

The following message was received from the Senate:

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. 1155, A bill for an act relating to insurance; life and health; regulating policy and contract provisions, coverages, certain cost-containment mechanisms, cancellations and nonrenewals, trade and marketing practices, and remedies in these and other lines; making technical changes; amending Minnesota Statutes 1988, sections 45.025, subdivision 8; 45.027, subdivision 7; 45.028, subdivision 1; 61A.011, subdivision 1; 61A.092, subdivision 3; 61B.03, subdivision 6; 62A.01; 62A.041; 62A.08; 62A.09; 62A.15, subdivision 3a; 62A.17, subdivision 2; 62A.46, by adding a subdivision; 62A.48, subdivision 1; 62B.01; 62B.04, subdivision 1; 62D.12, by adding a subdivision; 62E.06, subdivision 1; 72A.20, subdivision 15, and by adding subdivisions; 72A.325; and 149.11; proposing coding for new law in Minnesota Statutes, chapters 60A; 62A; 65A; and 72A; repealing Minnesota Statutes 1988, sections 60A.23, subdivision 7; and 72A.13, subdivision 2.

PATRICK E. FLAHAVEN, Secretary of the Senate

Skoglund moved that the House refuse to concur in the Senate amendments to H. F. No. 1155, that the Speaker appoint a Conference Committee of 3 members of the House, and that the House requests that a like committee be appointed by the Senate to confer on the disagreeing votes of the two houses. The motion prevailed.

ANNOUNCEMENT BY THE SPEAKER

The Speaker announced the appointment of the following members of the House to a Conference Committee on H. F. No. 1155:

Skoglund, Knickerbocker and Scheid.

SPECIAL ORDERS

Rodosovich moved that the bill on Special Orders for today be continued. The motion prevailed.

GENERAL ORDERS

Rodosovich moved that the bills on General Orders for today be continued. The motion prevailed.

MOTIONS AND RESOLUTIONS

Sarna moved that the following statement be printed in the Permanent Journal of the House:

"It was my intention to vote in the affirmative when the final vote was taken on passage of H. F. No. 629 on Monday, May 15, 1989. In error I pressed the wrong button." The motion prevailed.

ADJOURNMENT

Rodosovich moved that when the House adjourns today it adjourn until 12:00 noon, Thursday, May 18, 1989. The motion prevailed.

Rodosovich moved that the House adjourn. The motion prevailed, and the Speaker declared the House stands adjourned until 12:00 noon, Thursday, May 18, 1989.

EDWARD A. BURDICK, Chief Clerk, House of Representatives

STATE OF MINNESOTA

SEVENTY-SIXTH SESSION—1989

FIFTY-FIFTH DAY

SAINT PAUL, MINNESOTA, THURSDAY, MAY 18, 1989

The House of Representatives convened at 12:00 noon and was called to order by Robert E. Vanasek, Speaker of the House.

Prayer was offered by the Reverend Randy Skow-Anderson of Bethany Lutheran Church, Bergen, Minnesota.

The roll was called and the following members were present:

Abrams	Frerichs	Kostohryz	Olson, K.	Schafer
Anderson, G.	Girard	Krueger	Omman	Schreiber
Anderson, R.	Greenfield	Lasley	Onnen	Seaberg
Battaglia	Gruenes	Lieder	Orenstein	Segal
Bauerly	Gutknecht	Limmer	Osthoff	Simoneau
Beard	Hartle	Long	Ostrom	Skoglund
Begich	Hasskamp	Lynch	Otis	Solberg
Bennett	Haukoos	Macklin	Ozment	Sparby
Bertram	Heap	Marsh	Pappas	Stanius
Bishop	Henry	McDonald	Pauly	Steensma
Blatz	Himle	McEachern	Pellow	Sviggum
Boo	Hugoson	McGuire	Pelowski	Tjornhom
Brown	Jacobs	McLaughlin	Peterson	Tompkins
Burger	Janezich	McPherson	Poppenhagen	Trimble
Carlson, D.	Jaros	Milbert	Price	Tunheim
Carlson, L.	Jefferson	Miller	Pugh	Uphus
Carruthers	Jennings	Morrison	Quinn	Valento
Clark	Johnson, A.	Munger	Redalen	Vellenga
Cooper	Johnson, R.	Murphy	Reding	Wagenius
Dauner	Johnson, V.	Nelson, C.	Rest	Waltman
Dawkins	Kahn	Nelson, K.	Rice	Weaver
Dempsey	Kalis	Neuenschwander	Richter	Welle
Dille	Kelly	O'Connor	Rodosovich	Wenzel
Dorn	Kelso	Ogren	Rukavina	Williams
Forsythe	Kinkel	Olsen, S.	Runbeck	Winter
Frederick	Knickerbocker	Olson, E.	Sarna	Wynia
				Spk. Vanasek

A quorum was present.

Swenson was excused.

Conway was excused until 1:10 p.m. Scheid was excused until 5:00 p.m.

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

REPORTS OF CHIEF CLERK

Pursuant to Rules of the House, printed copies of H. F. Nos. 851, 150, 207, 376, 404, 417, 723, 960, 1066, 1163, 1201, 661, 624, 1532 and 1181 and S. F. Nos. 499, 748, 38, 470, 481, 530, 564 and 258 have been placed in the members' files.

S. F. No. 470 and H. F. No. 584, which had been referred to the Chief Clerk for comparison, were examined and found to be identical with certain exceptions.

SUSPENSION OF RULES

Winter moved that the rules be so far suspended that S. F. No. 470 be substituted for H. F. No. 584 and that the House File be indefinitely postponed. The motion prevailed.

S. F. No. 481 and H. F. No. 773, which had been referred to the Chief Clerk for comparison, were examined and found to be identical with certain exceptions.

SUSPENSION OF RULES

Rodosovich moved that the rules be so far suspended that S. F. No. 481 be substituted for H. F. No. 773 and that the House File be indefinitely postponed. The motion prevailed.

S. F. No. 499 and H. F. No. 408, which had been referred to the Chief Clerk for comparison, were examined and found to be identical with certain exceptions.

SUSPENSION OF RULES

Wagenius moved that the rules be so far suspended that S. F. No. 499 be substituted for H. F. No. 408 and that the House File be indefinitely postponed. The motion prevailed.

S. F. No. 564 and H. F. No. 810, which had been referred to the Chief Clerk for comparison, were examined and found to be identical.

Winter moved that S. F. No. 564 be substituted for H. F. No. 810 and that the House File be indefinitely postponed. The motion prevailed.

S. F. No. 530 and H. F. No. 601, which had been referred to the Chief Clerk for comparison, were examined and found to be identical with certain exceptions.

SUSPENSION OF RULES

Long moved that the rules be so far suspended that S. F. No. 530 be substituted for H. F. No. 601 and that the House File be indefinitely postponed. The motion prevailed.

SECOND READING OF SENATE BILLS

S. F. Nos. 470, 481, 499, 564 and 530 were read for the second time.

MESSAGES FROM THE SENATE

The following messages were received from the Senate:

Mr. Speaker:

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

H. F. No. 831, A bill for an act relating to game and fish; Mom Fishing Weekend; season opening date for certain game fish; amending Minnesota Statutes 1988, sections 97A.445, by adding a subdivision; and 97C.395, subdivision 1.

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

PATRICK E. FLAHAVEN, Secretary of the Senate

Mr. Speaker:

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

H. F. No. 1267, A bill for an act relating to Anoka county; permitting the appointment of the auditor, recorder, and treasurer; authorizing the reorganization of county offices.

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

PATRICK E. FLAHAVEN, Secretary of the Senate

Mr. Speaker:

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

H. F. No. 162, A bill for an act relating to insurance; regulating insurance information collection, use, disclosure, access, and correction practices; requiring reasons for adverse underwriting decisions; amending Minnesota Statutes 1988, section 72A.20, subdivision 11; proposing coding for new law in Minnesota Statutes, chapter 72A.

The Senate has appointed as such committee:

Messrs. Marty, Freeman and Frederick.

Said House File is herewith returned to the House.

PATRICK E. FLAHAVEN, Secretary of the Senate

Mr. Speaker:

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

H. F. No. 166, A bill for an act relating to state agencies; providing that certain information submitted to department of transportation is public data; providing for development of internal auditing standards; classifying certain internal auditing data as other than public; defining terms; providing for limousine registration; exempting certain special transportation service providers holding current certificate of compliance from motor carrier regulations; delineating requirements of carriers to display certain information; providing for permits of special passenger carriers and household goods carriers; providing for operation under motor carrier permit on death of holder; providing for amount of insurance, bond, or other security required of motor carriers; giving commissioner of transportation subpoena power for certain enforcement purposes; providing for suspension of registration of interstate authority for failure to maintain insurance; amending Minnesota Statutes 1988, sections 13.72, by adding subdivisions; 16A.055, subdivision 1; 168.011, subdivision 35; 168.128, subdivision 2; 174.30, subdivision 6; 221.011, subdivisions 16, 20, and by adding a subdivision; 221.031,

subdivision 6; 221.111; 221.121, subdivision 6a; 221.141, subdivision 1b, and by adding a subdivision; and 221.60, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapters 13; 65B; and 221.

The Senate has appointed as such committee:

Mr. Novak; Mmes. McQuaid and Lantry.

Said House File is herewith returned to the House.

PATRICK E. FLAHAVEN, Secretary of the Senate

Mr. Speaker:

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

H. F. No. 260, A bill for an act relating to employment; providing for review of an employee's personnel record; providing for removal or revision of disputed information contained in an employee's personnel record; regulating use of omitted information; proposing coding for new law in Minnesota Statutes, chapter 181.

The Senate has appointed as such committee:

Mr. Merriam, Mrs. Brataas and Mr. Frank.

Said House File is herewith returned to the House.

PATRICK E. FLAHAVEN, Secretary of the Senate

Mr. Speaker:

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

H. F. No. 701, A bill for an act relating to environment; eliminating the PCB exemption program; repealing Minnesota Statutes 1988, sections 116.36; and 116.37.

The Senate has appointed as such committee:

Messrs. Morse; Frederickson, D. J., and Johnson, D. E.

Said House File is herewith returned to the House.

PATRICK E. FLAHAVEN, Secretary of the Senate

Mr. Speaker:

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

H. F. No. 837, A bill for an act relating to crimes; prohibiting the concealing of criminal proceeds; prohibiting racketeering; providing civil and criminal penalties for engaging in narcotics and violent offenses as part of an enterprise; authorizing the dissolution of a corporate charter, revocation of a license, and injunctive relief to prevent criminal activity by an enterprise; authorizing fines of three times the profit gained through racketeering; authorizing criminal forfeiture; amending Minnesota Statutes 1988, section 541.07; proposing coding for new law in Minnesota Statutes, chapters 541 and 609.

The Senate has appointed as such committee:

Mr. Freeman; Ms. Peterson, D. C., and Mr. Belanger.

Said House File is herewith returned to the House.

PATRICK E. FLAHAVEN, Secretary of the Senate

Mr. Speaker:

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

H. F. No. 1137, A bill for an act relating to metropolitan government; regulating the borrowing authority of the regional transit board; amending Minnesota Statutes 1988, section 473.39, subdivision 1a, and by adding subdivisions.

The Senate has appointed as such committee:

Mrs. Lantry, Mr. Merriam and Ms. Olson.

Said House File is herewith returned to the House.

PATRICK E. FLAHAVEN, Secretary of the Senate

Mr. Speaker:

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

H. F. No. 1160, A bill for an act relating to education; authorizing school district participation in certain energy efficiency projects; proposing coding for new law in Minnesota Statutes, chapter 124.

The Senate has appointed as such committee:

Messrs. Frederickson, D. J.; Pehler and Knaak.

Said House File is herewith returned to the House.

PATRICK E. FLAHAVER, Secretary of the Senate

Mr. Speaker:

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

H. F. No. 1764, A bill for an act relating to transportation; changing distribution of highway user taxes; authorizing use of state park road account to improve and maintain city streets and town roads that provide immediate access to state parks and campgrounds; increasing motor vehicle license tax on older vehicles; appropriating money; amending Minnesota Statutes 1988, sections 161.081; 161.082, subdivision 2a; 162.06, subdivision 5; 162.081, subdivision 1; 168.013, subdivision 1a; and 297B.09, subdivision 1.

The Senate has appointed as such committee:

Mr. Langseth; Mrs. Lantry; Messrs. Purfeerst, Metzen and DeCramer.

Said House File is herewith returned to the House.

PATRICK E. FLAHAVER, 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. 796, A bill for an act relating to state lands; authorizing sale of certain tax-forfeited lands that border public waters in Pine and Fillmore counties.

PATRICK E. FLAHAVEN, Secretary of the Senate

Carlson, D., moved that the House refuse to concur in the Senate amendments to H. F. No. 796, that the Speaker appoint a Conference Committee of 3 members of the House, and that the House requests that a like committee be appointed by the Senate to confer on the disagreeing votes of the two houses. The motion prevailed.

Mr. Speaker:

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

H. F. No. 341, A bill for an act relating to public safety; proposing the emergency planning and community right-to-know act; requiring reports on hazardous substances and chemicals; creating an emergency response commission; providing penalties; amending Minnesota Statutes 1988, section 609.671, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapter 299F.

PATRICK E. FLAHAVEN, Secretary of the Senate

Trimble moved that the House refuse to concur in the Senate amendments to H. F. No. 341, that the Speaker appoint a Conference Committee of 3 members of the House, and that the House requests that a like committee be appointed by the Senate to confer on the disagreeing votes of the two houses. The motion prevailed.

Mr. Speaker:

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

H. F. No. 1448, A bill for an act relating to Hennepin county; permitting the issuance of obligations by the county board of Hennepin county for a public safety building; requiring reports to the legislature.

PATRICK E. FLAHAVEN, Secretary of the Senate

CONCURRENCE AND REPASSAGE

Rest moved that the House concur in the Senate amendments to H. F. No. 1448 and that the bill be repassed as amended by the Senate. The motion prevailed.

H. F. No. 1448, A bill for an act relating to Hennepin county; permitting the issuance of obligations by the county board of Hennepin county for a public safety building.

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 122 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Abrams	Frerichs	Knickerbocker	Omamm	Segal
Anderson, G.	Girard	Kostohryz	Onnen	Simoneau
Anderson, R.	Hugosfield	Krueger	Orenstein	Skoglund
Battaglia	Gruenes	Lasley	Osthoff	Solberg
Bauerly	Gutknecht	Lieder	Ostrom	Sparby
Beard	Hartle	Limmer	Otis	Stanius
Begich	Hasskamp	Long	Ozment	Steensma
Bennett	Haukoos	Lynch	Pappas	Sviggum
Bertram	Heap	Macklin	Pauly	Tompkins
Blatz	Henry	Marsh	Pellow	Trimble
Boo	Himle	McDonald	Pelowski	Tunheim
Brown	Hugoson	McGuire	Peterson	Uphus
Burger	Jacobs	McLaughlin	Poppenhagen	Valento
Carlson, D.	Janezich	McPherson	Pugh	Vellenga
Carlson, L.	Jaros	Milbert	Quinn	Wagenius
Carruthers	Jefferson	Morrison	Redalen	Waltman
Clark	Jennings	Munger	Reding	Weaver
Cooper	Johnson, A.	Murphy	Rest	Welle
Dauner	Johnson, R.	Nelson, C.	Richter	Wenzel
Dawkins	Johnson, V.	Nelson, K.	Rodosovich	Williams
Dempsey	Kahn	Neuenschwander	Rukavina	Winter
Dille	Kalis	Ogren	Runbeck	Spk. Vanasek
Dorn	Kelly	Olsen, S.	Schafer	
Forsythe	Kelso	Olson, E.	Schreiber	
Frederick	Kinkel	Olson, K.	Seaberg	

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. 740, A bill for an act relating to education; changing the name of technical institutes to technical colleges; amending Minne-

sota Statutes 1988, section 136C.02, subdivision 2.

PATRICK E. FLAHAVER, Secretary of the Senate

CONCURRENCE AND REPASSAGE

Carlson, L., moved that the House concur in the Senate amendments to H. F. No. 740 and that the bill be repassed as amended by the Senate. The motion prevailed.

H. F. No. 740, A bill for an act relating to education; changing the name of technical institutes to technical colleges; repealing Minnesota Statutes 1988, section 136C.02, subdivision 2.

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

The question was taken on the repassage of the bill and the roll was called. There were 129 yeas and 2 nays as follows:

Those who voted in the affirmative were:

Abrams	Frederick	Kostohryz	Olson, K.	Schreiber
Anderson, G.	Frerichs	Krueger	Omahn	Seaberg
Anderson, R.	Girard	Lasley	Onnen	Segal
Battaglia	Greenfield	Lieder	Orenstein	Simoneau
Bauerly	Gruenes	Limmer	Ostrom	Skoglund
Beard	Gutknecht	Long	Otis	Solberg
Begich	Hartle	Lynch	Ozment	Sparby
Bennett	Hasskamp	Macklin	Pappas	Stanius
Bertram	Haukoos	Marsh	Pauly	Steensma
Bishop	Heap	McDonald	Pellow	Sviggum
Blatz	Henry	McEachern	Pelowski	Tjornhom
Boo	Himle	McGuire	Peterson	Tompkins
Brown	Hugoson	McLaughlin	Poppenhagen	Trimble
Burger	Jacobs	McPherson	Price	Tunheim
Carlson, D.	Janezich	Milbert	Pugh	Uphus
Carlson, L.	Jaros	Miller	Quinn	Valento
Carruthers	Jefferson	Morrison	Redalen	Vellenga
Clark	Jennings	Munger	Reding	Wagenius
Conway	Johnson, A.	Murphy	Rest	Waltman
Cooper	Johnson, R.	Nelson, C.	Rice	Weaver
Dauner	Johnson, V.	Nelson, K.	Richter	Welle
Dawkins	Kahis	Neuenschwander	Rodosovich	Wenzel
Dempsey	Kelly	O'Connor	Rukavina	Williams
Dille	Kelso	Ogren	Runbeck	Winter
Dorn	Kinkel	Olsen, S.	Sarna	Wynia
Forsythe	Knickerbocker	Olson, E.	Schafer	

Those who voted in the negative were:

Kahn Spk. Vanasek

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

Mr. Speaker:

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

S. F. No. 262, A bill for an act relating to protection of groundwater; protecting sensitive areas; promoting and requiring certain best management practices; providing financial assistance for certain groundwater protection activities; authorizing local government groundwater and resource protection programs; establishing a joint legislative committee on water; providing for determination of water research needs; developing a water education curriculum; regulating wells, borings, and underground drillings and uses; regulating water conservation, water appropriations, and setting fees; establishing regulations, enforcing violations, and establishing civil and criminal penalties for violations relating to pesticide, fertilizer, soil amendment, and plant amendment manufacture, storage, sale, use, and misuse; providing a mechanism to aid cleanup and response to incidents relating to agricultural chemicals; providing a task force relating to sustainable agriculture; providing penalties; appropriating money; amending Minnesota Statutes 1988, sections 18B.01, subdivisions 5, 12, 15, 19, 21, 26, 30, and by adding subdivisions; 18B.04; 18B.07, subdivisions 2, 3, 4, and 6; 18B.08, subdivisions 1, 3, and 4; 18B.26, subdivisions 1, 3, 5, and by adding a subdivision; 18B.31, subdivisions 3 and 5; 18B.32, subdivision 2; 18B.33, subdivisions 1, 3 and 7; 18B.34, subdivisions 1, 2 and 5; 18B.36, subdivisions 1 and 2; 18B.37, subdivisions 1, 2, 3, and 4; 40.42, by adding a subdivision; 40.43, subdivisions 2 and 6; 43A.08, subdivision 1; 105.41, subdivisions 1, 1a, 1b, 5, and by adding a subdivision; 105.418; 110B.04, subdivision 6; 115B.20; 116C.41, subdivision 1; 144.381; 144.382, subdivision 1, and by adding a subdivision; and 473.877, subdivision 1; proposing coding for new law in Minnesota Statutes, chapters 3; 17; 18B; 40; and 144; proposing coding for new law as Minnesota Statutes, chapters 18C; 18D; 18E; 103A; 103B; 103H; and 103I; repealing Minnesota Statutes 1988, sections 17.711 to 17.73; 18A.49; 18B.15; 18B.16; 18B.18; 18B.19; 18B.20; 18B.21; 18B.22; 18B.23; 18B.25; 84.57 to 84.621; 105.51, subdivision 3; and 156A.01 to 156A.11.

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

Messrs. Morse, Dahl, Davis, Bernhagen and Merriam.

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

PATRICK E. FLAHAVEN, Secretary of the Senate

Munger moved that the House accede to the request of the Senate and that the Speaker appoint a Conference Committee of 5 members of the House to meet with a like committee appointed by the Senate on the disagreeing votes of the two houses on S. F. No. 262. The motion prevailed.

Mr. Speaker:

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

S. F. No. 139, A bill for an act relating to liquor; increasing age for provisional driver's license to 21 years; changing provisional licenses to "under-21" licenses; prohibiting the issuance of both a Minnesota identification card and a driver's license, other than an instruction permit, to the same person; providing for fees; providing for license suspension for minors misrepresenting their age for purposes of purchasing alcoholic beverages; providing penalty for misuse of Minnesota identification card; increasing the period for suspension of a drivers license for use of a license to illegally purchase alcohol; including other forms of identification and persons who lend identification; increasing the penalty for counterfeiting a drivers license or Minnesota identification card; prohibiting lending any form of identification for use by an underage person to purchase alcohol; clarifying the application of the carding defense for illegal sales; providing for transfer of confiscated identification; amending Minnesota Statutes 1988, sections 171.02, subdivisions 1 and 3; 171.06, subdivision 2; 171.07, subdivisions 1 and 3; 171.171; 171.22; 171.27; 260.195, subdivision 3; 340A.503, subdivisions 2 and 6; and 340A.801, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapter 340A.

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

Messrs. Spear, Cohen and Knaak.

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

PATRICK E. FLAHAVEN, Secretary of the Senate

Johnson, A., moved that the House accede to the request of the Senate and that the Speaker appoint a Conference Committee of 3 members of the House to meet with a like committee appointed by the Senate on the disagreeing votes of the two houses on S. F. No. 139. The motion prevailed.

Mr. Speaker:

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

S. F. Nos. 143, 491, 659, 895, 1377, 188, 1242 and 1582.

PATRICK E. FLAHAVER, Secretary of the Senate

Mr. Speaker:

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

S. F. Nos. 1, 462, 542, 756, 1087 and 1122.

PATRICK E. FLAHAVER, Secretary of the Senate

FIRST READING OF SENATE BILLS

S. F. No. 143, A bill for an act relating to public safety; appropriating fees charged by state patrol and capitol complex security division for escort and contracted security services; amending Minnesota Statutes 1988, section 299D.03, subdivision 1; proposing coding for new law in Minnesota Statutes, chapters 299D and 299E.

The bill was read for the first time.

Cooper moved that S. F. No. 143 and H. F. No. 777, now on General Orders, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 491, A bill for an act relating to health care; creating a health care access commission; requiring a health care access study; appropriating money.

The bill was read for the first time.

Ogren moved that S. F. No. 491 and H. F. No. 150, now on Technical General Orders, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 659, A bill for an act relating to motor vehicles; increasing and allocating fees and motor vehicle excise tax for dealer plates; restricting use of dealer plates; amending Minnesota Statutes 1988, section 168.27, subdivision 16.

The bill was read for the first time.

Lasley moved that S. F. No. 659 and H. F. No. 633, now on General Orders, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 895, A bill for an act relating to natural resources; amending provisions relating to the conservation reserve program; changing authority over the conservation reserve program from the commissioner of agriculture to the board of water and soil resources; defining certain terms; changing criteria for eligible land; prohibiting grazing of land under future agreements; providing conditions and payment for wetland restoration; providing for enforcement and liability for damages for violation of the terms of a conservation easement or agreement; authorizing the board to adopt rules; authorizing the commissioner of agriculture to allow town boards to suspend the duty of owners and occupants to control noxious weeds under certain conditions; withdrawing certain marginal land and wetlands from sale by the state unless restricted by a conservation easement under certain conditions; requiring certain acquisition procedures before the commissioner of natural resources accepts agricultural land or farm homesteads in fee from the federal government; authorizing aliens and non-Americans to own certain agricultural land to comply with pollution control laws or rules; amending Minnesota Statutes 1988, sections 40.42; 40.43; 40.44; 40.45; 84.95, subdivision 2; 282.018; 500.221, subdivision 2; Laws 1986, chapter 383, section 17, subdivision 4; proposing coding for new law in Minnesota Statutes, chapters 18; 40; 84; and 92.

The bill was read for the first time.

Munger moved that S. F. No. 895 and H. F. No. 960, now on Technical General Orders, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 1377, A bill for an act relating to wild rice; clarifying requirements on packaging and labeling; requiring disclosure of origin; amending Minnesota Statutes 1988, section 30.49.

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

S. F. No. 188, A bill for an act relating to commerce; requiring mortgage lenders and mortgage brokers to obtain a license from the commissioner of commerce; requiring certain disclosures by mortgage lenders and mortgage brokers; prohibiting certain practices by mortgage lenders and mortgage brokers; appropriating money; amending Minnesota Statutes 1988, sections 82.17, subdivision 4;

and 82.18; proposing coding for new law as Minnesota Statutes, chapter 57; repealing Minnesota Statutes 1988, section 82.175.

The bill was read for the first time and referred to the Committee on Financial Institutions and Housing.

S. F. No. 1242, A bill for an act relating to state government; extending the expiration date on certain advisory councils; increasing the compensation of members of administrative boards and agencies; reducing the maximum compensation of members of advisory councils; eliminating a requirement for appointment of a state employees assistance program advisory committee; amending Minnesota Statutes 1988, sections 15.0575, subdivision 3; 15.059, subdivisions 3 and 5; and 16B.39, subdivision 2; repealing Minnesota Statutes 1988, sections 84B.11, subdivision 4; 121.83; 174.031, subdivision 2; 256.73, subdivision 7; and 268.12, subdivision 6.

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

S. F. No. 1582, A bill for an act relating to public finance; providing conditions and requirements for the issuance and use of public debt; making technical corrections to provisions relating to hazardous substance sites and subdistricts; enabling Chisago, Kanabec, Isanti, Pine, and Mille Lacs counties to sell certain bonds at public or private sale; amending Minnesota Statutes 1988, sections 298.2211, subdivision 4; 469.015, subdivision 4; 469.174, subdivisions 7 and 16; 469.175, subdivision 7; 471.56, subdivision 5; 473.541, subdivision 3, and by adding a subdivision; 475.51, by adding subdivisions; 475.54, subdivision 4, and by adding a subdivision; 475.55, subdivision 6, and by adding a subdivision; 475.60, subdivisions 1, 2, and 3; 475.66, subdivision 1; and 475.79; proposing coding for new law in Minnesota Statutes, chapter 473; repealing Minnesota Statutes 1988, section 474A.081, subdivision 3.

The bill was read for the first time.

Rest moved that S. F. No. 1582 and H. F. No. 1726, now on General Orders, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 1, A bill for an act relating to waste management; establishing the office of waste management; transferring to the office of waste management the powers and duties of the waste management board; amending Minnesota Statutes 1988, sections 15A.081, subdivision 1; 115A.03, by adding subdivisions; and 116C.03, subdivision 2; proposing coding for new law in Minnesota Statutes, chapter 115A; repealing Minnesota Statutes 1988, sections

115A.03, subdivision 3; 115A.04; 115A.05; 115A.06, subdivisions 1 and 3; and 115A.11, subdivision 3.

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

S. F. No. 462, A bill for an act relating to judicial procedure; clarifying, modifying, and recodifying tax court powers and procedures; making technical corrections and eliminating redundant and unnecessary language and obsolete references; requiring releases of liens issued in error to state that the lien was erroneous; amending Minnesota Statutes 1988, sections 270.07, subdivision 1; 270.10, by adding a subdivision; 270.69, by adding a subdivision; 271.01, subdivisions 1 and 5; 271.02; 271.04; 271.06, subdivisions 1, 2, 3, and 7; 271.07; 271.13; 271.15; 271.17; 271.18; 271.21, subdivisions 2 and 10; 277.011, subdivision 7; 278.01, subdivision 1; 278.02; 278.03; 278.05, subdivision 4; 278.08, subdivision 1; 297.43, subdivision 1; and 297C.14, subdivision 1; proposing coding for new law in Minnesota Statutes, chapter 270; repealing Minnesota Statutes 1988, sections 60A.151; 271.01, subdivision 6; 271.061; 271.21, subdivision 4; and 271.22.

The bill was read for the first time.

Bishop moved that S. F. No. 462 and H. F. No. 515, now on General Orders, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 542, A bill for an act relating to agriculture; changing the agricultural land preservation law; amending Minnesota Statutes 1988, sections 40A.02, subdivision 10; 40A.04, subdivision 1; 40A.10, subdivisions 1, 2, and by adding a subdivision; 40A.11, subdivision 4; 40A.122, subdivision 7; 40A.17; 473H.15, subdivision 10; and 473H.17, subdivision 1a; proposing coding for new law in Minnesota Statutes, chapter 40A.

The bill was read for the first time.

Winter moved that S. F. No. 542 and H. F. No. 1023, now on General Orders, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 756, A bill for an act relating to workers' compensation; regulating the payment of supplemental benefits for new claims; amending Minnesota Statutes 1988, section 176.132, subdivisions 1, 2, and 3.

The bill was read for the first time.

SUSPENSION OF RULES.

Pursuant to Article IV, Section 19, of the Constitution of the state of Minnesota, Sviggum moved that the rule therein be suspended and an urgency be declared so that S. F. No. 756 be given its second and third readings and be placed upon its final passage.

A roll call was requested and properly seconded.

The question was taken on the Sviggum motion and the roll was called. There were 76 yeas and 50 nays as follows:

Those who voted in the affirmative were:

Abrams	Dorn	Johnson, V.	Olsen, S.	Schafer
Anderson, R.	Forsythe	Kalis	Olson, E.	Schreiber
Bauerly	Frederick	Kinkel	Olson, K.	Seaberg
Bennett	Frerichs	Knickerbocker	Omann	Sparby
Bertram	Girard	Krueger	Omnen	Stanius
Bishop	Gruenes	Lieder	Ostrom	Steensma
Blatz	Gutknecht	Limmer	Ozment	Sviggum
Boo	Hartle	Lynch	Pauly	Tjornhom
Brown	Hasskamp	Macklin	Pellow	Tompkins
Burger	Haukoos	Marsh	Pelowski	Tunheim
Carlson, D.	Heap	McDonald	Poppenhagen	Uphus
Cooper	Henry	McPherson	Redalen	Valento
Dauner	Himle	Miller	Richter	Waltman
Dempsey	Hugoson	Morrison	Rodosovich	Weaver
Dille	Johnson, R.	Nelson, C.	Runbeck	Williams
				Winter

Those who voted in the negative were:

Battaglia	Jaros	McLaughlin	Pappas	Simoneau
Beard	Jefferson	Milbert	Peterson	Skoglund
Begich	Johnson, A.	Munger	Price	Solberg
Carlson, L.	Kahn	Murphy	Pugh	Trimble
Carruthers	Kelly	Nelson, K.	Quinn	Vellenga
Clark	Kostohryz	O'Connor	Reding	Wagenius
Dawkins	Lasley	Ogren	Rest	Welle
Greenfield	Long	Orenstein	Rice	Wenzel
Jacobs	McEachern	Osthoff	Rukavina	Wynia
Janezich	McGuire	Otis	Sarna	Spk. Vanasek

The motion did not prevail.

S. F. No. 756 was referred to the Committee on Labor-Management Relations.

FIRST READING OF SENATE BILLS, Continued

S. F. No. 1087, A bill for an act relating to landlord and tenant relations; providing standing for certain associations to bring an

action for tenant remedies; providing for actions against certain unoccupied buildings; amending Minnesota Statutes 1988, sections 504.23; 566.18, subdivision 7, and by adding a subdivision; 566.19; 566.20, subdivision 1; 566.25; 566.28; and 566.29, subdivisions 1, 3, and 4.

The bill was read for the first time and referred to the Committee on Financial Institutions and Housing.

S. F. No. 1122, A bill for an act relating to workers' compensation; limiting the payment of temporary partial benefits under certain circumstances; amending Minnesota Statutes 1988, section 176.101, subdivision 2.

The bill was read for the first time and referred to the Committee on Labor-Management Relations.

ANNOUNCEMENTS BY THE SPEAKER

The Speaker announced the appointment of the following members of the House to a Conference Committee on H. F. No. 341:

Trimble, Lynch and Johnson, A.

The Speaker announced the appointment of the following members of the House to a Conference Committee on H. F. No. 796:

Carlson, D.; Ogren and Rukavina.

The Speaker announced the appointment of the following members of the House to a Conference Committee on S. F. No. 139:

Johnson, A.; Seaberg and Brown.

The Speaker announced the appointment of the following members of the House to a Conference Committee on S. F. No. 262:

Munger, Price, Bishop, Redalen and Kalis.

The following Conference Committee Reports were received:

CONFERENCE COMMITTEE REPORT ON H. F. NO. 729

A bill for an act relating to marriage dissolution; requiring courts to consider the existence of domestic abuse in determining whether

to award joint custody; providing for the appointment of visitation expeditors to resolve ongoing visitation disputes; providing for visitation by persons who have resided with a child; providing that either parent may request visitation rights on behalf of the child; requiring the court to restrict or modify visitation under certain circumstances; permitting agreements about modification of maintenance; amending Minnesota Statutes 1988, sections 257.022, by adding a subdivision; 518.17, subdivision 2; 518.175, subdivisions 1 and 5; 518.552, by adding a subdivision; and 518.58, subdivision 1; proposing coding for new law in Minnesota Statutes, chapter 518.

May 16, 1989

The Honorable Robert E. Vanasek
Speaker of the House of Representatives

The Honorable Jerome M. Hughes
President of the Senate

We, the undersigned conferees for H. F. No. 729, 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. 729 be further amended as follows:

Page 2, after line 5, insert:

"Sec. 2. Minnesota Statutes 1988, section 518.17, subdivision 1, is amended to read:

Subdivision 1. [THE BEST INTERESTS OF THE CHILD.] (a) "The best interests of the child" means all relevant factors to be considered and evaluated by the court including:

- (a) (1) the wishes of the child's parent or parents as to custody;
- (b) (2) the reasonable preference of the child, if the court deems the child to be of sufficient age to express preference;
- (3) the child's primary caretaker;
- (4) the intimacy of the relationship between each parent and the child;
- (e) (5) the interaction and interrelationship of the child with a parent or parents, siblings, and any other person who may significantly affect the child's best interests;
- (d) (6) the child's adjustment to home, school, and community;

(e) (7) the length of time the child has lived in a stable, satisfactory environment and the desirability of maintaining continuity;

(f) (8) the permanence, as a family unit, of the existing or proposed custodial home;

(g) (9) the mental and physical health of all individuals involved;

(h) (10) the capacity and disposition of the parties to give the child love, affection, and guidance, and to continue educating and raising the child in the child's culture and religion or creed, if any;

(i) (11) the child's cultural background; and

(j) (12) the effect on the child of the actions of an abuser, if related to domestic abuse, as defined in section 518B.01, that has occurred between the parents.

The court may not use one factor to the exclusion of all others. The court must make detailed findings on each of the factors and explain how the factors led to its conclusions and to the determination of the best interests of the child.

(b) The court shall not consider conduct of a proposed custodian that does not affect the custodian's relationship to the child."

Page 4, line 21, before "The" insert "If a visitation dispute arises,"

Page 4, line 22, delete "after"

Page 4, line 23, delete "appointment"

ReNUMBER the sections in sequence

Amend the title as follows:

Page 1, line 12, after the semicolon, insert "including the primary caretaker standard as a factor to be considered in custody decisions; requiring specific findings on each factor and prohibiting courts from relying exclusively on one factor in determining custody; modifying provisions dealing with the valuation of marital property;"

Page 1, line 14, delete the second "subdivision" and insert "subdivisions 1 and"

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

House Conferees: SANDY PAPPAS, RANDY C. KELLY, TERRY DEMPSEY, JEAN WAGENIUS AND KRIS HASSKAMP.

Senate Conferees: ALLAN H. SPEAR, WILLIAM P. LUTHER, RICHARD J. COHEN, LEROY A. STUMPF AND GARY W. LAIDIG.

Pappas moved that the report of the Conference Committee on H. F. No. 729 be adopted and that the bill be repassed as amended by the Conference Committee. The motion prevailed.

H. F. No. 729, A bill for an act relating to marriage dissolution; requiring courts to consider the existence of domestic abuse in determining whether to award joint custody; providing for the appointment of visitation expeditors to resolve ongoing visitation disputes; providing for visitation by persons who have resided with a child; providing that either parent may request visitation rights on behalf of the child; requiring the court to restrict or modify visitation under certain circumstances; permitting agreements about modification of maintenance; amending Minnesota Statutes 1988, sections 257.022, by adding a subdivision; 518.17, subdivision 2; 518.175, subdivisions 1 and 5; 518.552, by adding a subdivision; and 518.58, subdivision 1; proposing coding for new law in Minnesota Statutes, chapter 518.

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 128 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Abrams	Dempsey	Johnson, R.	Miller	Poppenhagen
Anderson, G.	Dille	Johnson, V.	Morrison	Price
Anderson, R.	Dorn	Kahn	Munger	Pugh
Battaglia	Forsythe	Kalis	Murphy	Quinn
Bauerly	Frederick	Kelly	Nelson, C.	Redalen
Beard	Frerichs	Kelso	Nelson, K.	Reding
Begich	Girard	Kinkel	O'Connor	Rest
Bennett	Greenfield	Knickerbocker	Ogren	Rice
Bertram	Gruenes	Kostohryz	Olsen, S.	Richter
Bishop	Gutknecht	Krueger	Olsen, K.	Rodosovich
Blatz	Hartle	Lasley	Omann	Rukavina
Boo	Hasskamp	Lieder	Onnen	Runbeck
Brown	Haukoos	Limmer	Orenstein	Sarna
Burger	Heap	Long	Osthoff	Schafer
Carlson, D.	Henry	Lynch	Ostrom	Schreiber
Carlson, L.	Himle	Macklin	Otis	Seaberg
Carruthers	Hugoson	Marsh	Ozment	Segal
Clark	Jacobs	McDonald	Pappas	Simoneau
Conway	Janezich	McGuire	Pauly	Skoglund
Cooper	Jaros	McLaughlin	Pellow	Solberg
Dauner	Jennings	McPherson	Pelowski	Sparby
Dawkins	Johnson, A.	Milbert	Peterson	Stanius

Steensma
Sviggum
Tjornhom
Tompkins

Trimble
Tunheim
Uphus
Valento

Vellenga
Wagenius
Waltman
Weaver

Welle
Wenzel
Williams
Winter

Wynia
Spk. Vanasek

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

CONFERENCE COMMITTEE REPORT ON H. F. NO. 193

A bill for an act relating to crimes; providing that an offender may not demand execution of sentence except under certain circumstances; requiring the board of pardons to meet at least twice each year; amending Minnesota Statutes 1988, sections 609.135, by adding a subdivision; and 638.04.

May 16, 1989

The Honorable Robert E. Vanasek
Speaker of the House of Representatives

The Honorable Jerome M. Hughes
President of the Senate

We, the undersigned conferees for H. F. No. 193, 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. 193 be further amended as follows:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1988, section 609.135, is amended by adding a subdivision to read:

Subd. 7. [DEMAND OF EXECUTION OF SENTENCE.] An offender may not demand execution of sentence in lieu of a stay of imposition or execution of sentence if the offender will serve less than nine months at the state institution. This subdivision does not apply to an offender who will be serving the sentence consecutively or concurrently with a previously imposed executed felony sentence.

Sec. 2. Minnesota Statutes 1988, section 638.04, is amended to read:

638.04 [MEETINGS.]

The board of pardons shall hold regular meetings on the second Monday in January, April, July, and October, of at least twice each year, and such other meetings as it shall deem expedient, and all

shall be held in the executive chamber in the state capitol, or at such other place as may be ordered by the board."

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

House Conferees: PHIL CARRUTHERS, RANDY C. KELLY AND KATHLEEN A. BLATZ.

Senate Conferees: DONNA C. PETERSON, ALLAN H. SPEAR AND WILLIAM V. BELANGER, JR.

Carruthers moved that the report of the Conference Committee on H. F. No. 193 be adopted and that the bill be repassed as amended by the Conference Committee. The motion prevailed.

H. F. No. 193, A bill for an act relating to crimes; providing that an offender may not demand execution of sentence except under certain circumstances; requiring the board of pardons to meet at least twice each year; amending Minnesota Statutes 1988, sections 609.135, by adding a subdivision; and 638.04.

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

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

Those who voted in the affirmative were:

Abrams	Dorn	Kahn	Munger	Price
Anderson, G.	Forsythe	Kalis	Murphy	Pugh
Anderson, R.	Frederick	Kelly	Nelson, C.	Quinn
Battaglia	Frerichs	Kelso	Nelson, K.	Redalen
Bauerly	Girard	Kinkel	Neuenschwander	Reding
Beard	Greenfield	Knickerbocker	O'Connor	Rest
Begich	Gruenes	Kostohryz	Ogren	Rice
Bennett	Gutknecht	Krueger	Olsen, S.	Richter
Bertram	Hartle	Lasley	Olsen, E.	Rodosovich
Bishop	Hasskamp	Lieder	Olson, K.	Rukavina
Blatz	Haukoos	Limmer	Omann	Runbeck
Boo	Heap	Long	Onnen	Sarna
Brown	Henry	Lynch	Orenstein	Schafer
Burger	Himle	Macklin	Osthoff	Schreiber
Carlson, D.	Hugoson	Marsh	Ostrom	Seaberg
Carlson, L.	Jacobs	McDonald	Otis	Segal
Carruthers	Janezich	McEachern	Ozment	Simoneau
Clark	Jaros	McGuire	Pappas	Skoglund
Cooper	Jefferson	McLaughlin	Pauly	Solberg
Dauer	Jennings	McPherson	Pellow	Sparby
Dawkins	Johnson, A.	Milbert	Pelowski	Stanius
Dempsey	Johnson, R.	Miller	Peterson	Steensma
Dille	Johnson, V.	Morrison	Poppenhagen	Sviggm

Tjornhom	Uphus	Waltman	Williams
Tompkins	Valento	Weaver	Winter
Trimble	Vellenga	Welle	Wynia
Tunheim	Wagenius	Wenzel	Spk. Vanasek

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

CONFERENCE COMMITTEE REPORT ON H. F. NO. 412

A bill for an act relating to education; changing the definitions of teachers and of supervisory and support personnel for the purpose of licensure; changing the kinds of personnel licensed by the board of teaching and the state board of education; changing the composition of the board of teaching; providing for teacher performance effectiveness plans; amending Minnesota Statutes 1988, sections 125.03, subdivisions 1 and 4; 125.05, subdivisions 1 and 2; 125.08; and 125.183, subdivisions 1 and 3; proposing coding for new law in Minnesota Statutes, chapter 125.

May 16, 1989

The Honorable Robert E. Vanasek
Speaker of the House of Representatives

The Honorable Jerome M. Hughes
President of the Senate

We, the undersigned conferees for H. F. No. 412, 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. 412 be further amended as follows:

Delete everything after the enacting clause and insert:

“Section 1. Minnesota Statutes 1988, section 125.03, subdivision 1, is amended to read:

Subdivision 1. The term “teachers” for the purpose of licensure, means and includes any and all persons employed in a public school or education district or by an ECSU as members of the instructional and supervisory, and support staff such as including superintendents, principals, supervisors, secondary vocational and other classroom teachers, and librarians, counselors, school psychologists, school nurses, school social workers, audio-visual directors and coordinators, recreation personnel, media generalists, media supervisors, and speech therapists.

Sec. 2. Minnesota Statutes 1988, section 125.03, subdivision 4, is amended to read:

Subd. 4. "Supervisory and support personnel" for the purpose of licensure means: superintendents, principals, and professional employees who devote 50 percent or more of their time to administrative or supervisory duties over other personnel, and includes athletic coaches; counselors; school nurses; athletic coaches; and other professional employees who engage primarily in nonclassroom activities. The term does not include: librarians; school psychologists; school social workers; audio-visual directors and coordinators; recreation personnel; media generalists; media supervisors; or speech therapists.

Sec. 3. Minnesota Statutes 1988, section 125.05, subdivision 1, is amended to read:

Subdivision 1. [QUALIFICATIONS.] The authority to license teachers as defined in section 125.03, subdivision 1, is vested in the board of teaching except that the authority to license supervisory and support personnel as defined in section 125.03, subdivision 4, is vested in the state board of education. The authority to license post-secondary vocational and adult vocational teachers, support personnel, and supervisory personnel in technical institutes is vested in the state board of vocational technical education according to section 136C.04, subdivision 9. Licenses shall must be issued to such persons as the board of teaching or the state board of education finds to be competent for their respective positions. For teachers, as defined in section 125.03, subdivision 5, competency includes successful completion of an examination of skills in reading, writing, and mathematics for persons applying for initial licenses. Qualifications of teachers and other professional employees except supervisory and support personnel shall must be determined by the board of teaching under the rules it promulgates adopts. Licenses under the jurisdiction of the board of teaching shall must be issued through the licensing section of the department of education. Licenses under the jurisdiction of the state board of education shall must be issued through the licensing section of the department of education.

Sec. 4. Minnesota Statutes 1988, section 125.05, subdivision 2, is amended to read:

Subd. 2. [EXPIRATION AND RENEWAL.] Each license issued through the licensing section of the department of education shall must bear the date of issue. Licenses shall must expire and be renewed in accordance with the respective rules promulgated adopted by the board of teaching or the state board of education. Renewal Requirements for the renewal of a license shall must include the production of satisfactory evidence of successful teaching experience for at least one school year during the period covered by the license in grades or subjects for which the license is valid or the

completion of such additional preparation as the board of teaching shall prescribe. Requirements for ~~the~~ renewal of the licenses of supervisory ~~and support~~ personnel shall must be established by the state board of education.

Sec. 5. Minnesota Statutes 1988, section 125.05, is amended by adding a subdivision to read:

Subd. 7. [LIMIT ON FIELDS OF LICENSURE.] Unless the action of the board of teaching is approved by specific law, the board may not, after July 1, 1989:

(1) develop additional fields of licensure;

(2) divide existing fields of licensure; or

(3) extend any licensure requirements to any duties that could be performed on March 15, 1989, without a license.

The board may establish fields for provisional licensure, but shall submit each field to the legislature for approval. If approval by specific law is not obtained within one year after the provisional license is established, the board shall discontinue the field of provisional licensure.

Sec. 6. Minnesota Statutes 1988, section 125.08, is amended to read:

125.08 [TEACHERS' AND ADMINISTRATORS' LICENSES, FEES.]

Each application for the issuance, renewal, or extension of a license to teach shall must be accompanied by a processing fee in an amount set by the board of teaching by rule. Each application for the issuance, renewal, or extension of a license as supervisory ~~or support~~ personnel shall must be accompanied by a processing fee in an amount set by the state board of education by rule. The processing fee for a teacher's license shall must be paid to the executive secretary of the board of teaching. The processing fee for the licenses of supervisory ~~and support~~ personnel shall must be paid to the commissioner. The executive secretary of the board of teaching and the commissioner shall deposit the fees with the state treasurer, as provided by law, and report each month to the commissioner of finance the amount of fees collected. The fees as set by the boards shall be are nonrefundable for applicants not qualifying for a license, ~~provided~~. However, ~~that~~ a fee shall must be refunded by the state treasurer in any case in which the applicant already holds a valid unexpired license. The boards may waive or reduce fees for applicants who apply at the same time for more than one license, even if the licenses are under the jurisdiction of different boards.

Sec. 7. Minnesota Statutes 1988, section 125.183, subdivision 1, is amended to read:

Subdivision 1. ~~A The board of teaching consisting consists of 15 11 members appointed by the governor is hereby established.~~ Membership terms, compensation of members, removal of members, the filling of membership vacancies, and fiscal year and reporting requirements shall be as provided in sections 214.07 to 214.09. No member shall may be reappointed for more than one additional term.

Sec. 8. Minnesota Statutes 1988, section 125.183, subdivision 3, is amended to read:

Subd. 3. [MEMBERSHIP.] Except for the representatives of higher education and the public, to be eligible for appointment to the board of teaching a person must be fully licensed for the position held and have at least five years teaching experience in Minnesota, including the two years immediately preceding nomination and appointment. Each nominee, other than a public nominee, must be selected on the basis of professional experience and knowledge of teacher education, accreditation, and licensure. The board shall must be composed of one teacher whose responsibilities are those either of a librarian, psychologist, remedial reading teacher, speech therapist, or vocational teacher, three elementary school classroom teachers, three secondary:

(1) six classroom teachers;

(2) one higher education representative, ~~from a higher education who must be a~~ faculty member preparing teachers;

(3) one school administrator; and ~~six~~

(4) three members of the public, two of whom shall must be present or former members of ~~local~~ school boards. ~~Each nominee other than a public nominee shall be selected on the basis of professional experience, and knowledge of teacher education, accreditation and licensure.~~

Sec. 9. [TIME OF EFFECT.]

The changes in the composition of the board of teaching required by section 8 must be made as soon as possible after the effective date of section 8 as vacancies occur or terms of members expire."

Delete the title and insert:

"A bill for an act relating to education; changing the definitions of teachers and of supervisory and support personnel for the purpose of

licensure; clarifying and changing the kinds of personnel licensed by the board of teaching, the state board of vocational technical education, and the state board of education; changing the composition of the board of teaching; placing certain limits on the board of teaching; making stylistic changes; amending Minnesota Statutes 1988, sections 125.03, subdivisions 1 and 4; 125.05, subdivisions 1, 2, and by adding a subdivision; 125.08; and 125.183, subdivisions 1 and 3."

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

House Conferees: BOB McEACHERN, KEN NELSON AND DENNIS OZMENT.

Senate Conferees: JAMES C. PEHLER, DONNA C. PETERSON AND DAVID J. FREDERICKSON.

McEachern moved that the report of the Conference Committee on H. F. No. 412 be adopted and that the bill be repassed as amended by the Conference Committee. The motion prevailed.

H. F. No. 412, A bill for an act relating to education; changing the definitions of teachers and of supervisory and support personnel for the purpose of licensure; changing the kinds of personnel licensed by the board of teaching and the state board of education; changing the composition of the board of teaching; providing for teacher performance effectiveness plans; amending Minnesota Statutes 1988, sections 125.03, subdivisions 1 and 4; 125.05, subdivisions 1 and 2; 125.08; and 125.183, subdivisions 1 and 3; proposing coding for new law in Minnesota Statutes, chapter 125.

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

The question was taken on the repassage of the bill and the roll was called. There were 130 yeas and 1 nay as follows:

Those who voted in the affirmative were:

Abrams	Blatz	Dawkins	Hartle	Jefferson
Anderson, G.	Boo	Dille	Hasskamp	Jennings
Anderson, R.	Brown	Dorn	Haukoos	Johnson, A.
Battaglia	Burger	Forsythe	Heap	Johnson, R.
Bauerly	Carlson, D.	Frederick	Henry	Johnson, V.
Beard	Carlson, L.	Frerichs	Himle	Kahn
Begich	Carruthers	Girard	Hugoson	Kalis
Bennett	Clark	Greenfield	Jacobs	Kelly
Bertram	Cooper	Gruenes	Janezich	Kelso
Bishop	Dauner	Gutknecht	Jaros	Kinkel

Knickerbocker	Miller	Ostrom	Richter	Tjornhom
Kostohryz	Morrison	Otis	Rodosovich	Tompkins
Krueger	Munger	Ozment	Rukavina	Trimble
Lasley	Murphy	Pappas	Runbeck	Tunheim
Lieder	Nelson, C.	Pauly	Sarna	Uphus
Limmer	Nelson, K.	Pellow	Schafer	Valento
Long	Neuenschwander	Pelowski	Schreiber	Vellenga
Lynch	O'Connor	Peterson	Seaberg	Wagenius
Macklin	Ogren	Poppenhagen	Segal	Waltman
Marsh	Olsen, S.	Price	Simoneau	Weaver
McDonald	Olson, E.	Pugh	Skoglund	Welle
McEachern	Olson, K.	Quinn	Solberg	Wenzel
McGuire	Omann	Redalen	Sparby	Williams
McLaughlin	Onnen	Reding	Stanius	Winter
McPherson	Orenstein	Rest	Steensma	Wynia
Milbert	Osthoff	Rice	Sviggum	Spk. Vanasek

Those who voted in the negative were:

Dempsey

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

CONFERENCE COMMITTEE REPORT ON H. F. NO. 489

A bill for an act relating to employment; regulating fair share fees, unfair labor practices, arbitration procedures and grievance procedures; amending Minnesota Statutes 1988, sections 179.02, by adding a subdivision; 179A.03, subdivision 7; 179A.05, subdivision 6; 179A.06, subdivision 3; 179A.13, subdivision 1; 179A.14, subdivision 1; 179A.16, subdivisions 1, 2, 3, and 4; and 179A.20, subdivision 4.

May 8, 1989

The Honorable Robert E. Vanasek
Speaker of the House of Representatives

The Honorable Jerome M. Hughes
President of the Senate

We, the undersigned conferees for H. F. No. 489, report that we have agreed upon the items in dispute and recommend as follows:

That the House concur in the Senate amendments and that H. F. No. 489 be further amended as follows:

Page 5, line 1, after "employer" insert "of a unit of employees other than essential employees"

Page 7, line 17, delete "written"

Amend the title as follows:

Page 1, line 2, delete "public"

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

House Conferees: ANDY DAWKINS, JOSEPH R. BEGICH AND ELTON R. REDALEN.

Senate Conferees: MICHAEL O. FREEMAN, BOB DECKER AND DAVID J. FREDERICKSON.

Dawkins moved that the report of the Conference Committee on H. F. No. 489 be adopted and that the bill be repassed as amended by the Conference Committee. The motion prevailed.

H. F. No. 489, A bill for an act relating to employment; regulating fair share fees, unfair labor practices, arbitration procedures and grievance procedures; amending Minnesota Statutes 1988, sections 179.02, by adding a subdivision; 179A.03, subdivision 7; 179A.05, subdivision 6; 179A.06, subdivision 3; 179A.13, subdivision 1; 179A.14, subdivision 1; 179A.16, subdivisions 1, 2, 3, and 4; and 179A.20, subdivision 4.

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

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

Those who voted in the affirmative were:

Abrams	Dauner	Jacobs	Long	Olsen, S.
Anderson, G.	Dawkins	Janezich	Lynch	Olson, E.
Anderson, R.	Dempsey	Jaros	Macklin	Olson, K.
Battaglia	Dille	Jefferson	Marsh	Omann
Bauerly	Dorn	Jennings	McDonald	Onnen
Beard	Forsythe	Johnson, A.	McEachern	Orenstein
Begich	Frederick	Johnson, R.	McGuire	Osthoff
Bennett	Frerichs	Johnson, V.	McLaughlin	Ostrom
Bertram	Girard	Kahn	McPherson	Otis
Bishop	Greenfield	Kalis	Milbert	Ozment
Blatz	Gruenes	Kelly	Miller	Pappas
Boo	Gutknecht	Kelso	Morrison	Pauly
Brown	Hartle	Kinkel	Munger	Pellow
Burger	Hasskamp	Knickerbocker	Murphy	Pelowski
Carlson, D.	Haukoos	Kostohryz	Nelson, C.	Peterson
Carlson, L.	Heap	Krueger	Nelson, K.	Poppenhagen
Carruthers	Henry	Lasley	Neuenschwander	Price
Clark	Himle	Lieder	O'Connor	Pugh
Cooper	Hugoson	Limmer	Ogren	Quinn

Redalen	Sarna	Sparby	Uphus	Williams
Reding	Schafer	Stanius	Valento	Winter
Rest	Schreiber	Steensma	Vellenga	Wynia
Rice	Seaberg	Sviggum	Wagenius	Spk. Vanasek
Richter	Segal	Tjornhom	Waltman	
Rodosovich	Simoneau	Tompkins	Weaver	
Rukavina	Skoglund	Trimble	Welle	
Runbeck	Solberg	Tunheim	Wenzel	

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

CONFERENCE COMMITTEE REPORT ON H. F. NO. 300

A bill for an act relating to occupational safety and health; increasing certain penalties; proposing changes to the employee right-to-know act of 1984; amending Minnesota Statutes 1988, sections 182.651, subdivisions 7, 14, 15, and by adding a subdivision; and 182.653, subdivisions 4b, 4c, and 4f; repealing Minnesota Statutes 1988, section 182.651, subdivision 16.

May 16, 1989

The Honorable Robert E. Vanasek
Speaker of the House of Representatives

The Honorable Jerome M. Hughes
President of the Senate

We, the undersigned conferees for H. F. No. 300, 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. 300 be further amended as follows:

Delete everything after the enacting clause and insert:

“Section 1. Minnesota Statutes 1988, section 182.651, subdivision 7, is amended to read:

Subd. 7. “Employer” means a person who has employs one or more employees and includes any person acting who has the power to hire, fire, or transfer, or who acts in the interest of, or as a representative of, an employer and includes a corporation, partnership, association, group of persons, and the state and all of its political subdivisions.

Sec. 2. Minnesota Statutes 1988, section 182.651, subdivision 16, is amended to read:

Subd. 16. (a) “Technically qualified individual” means a person physician, dentist, pharmacist, or lead research individual, other

than a student in one of these fields, who, because of professional or technical education, training or experience, understands, at the time of exposure, the health risks and the necessary safety precautions associated with each hazardous substance, harmful physical agent, infectious agent or mixture handled or utilized by the person.

(b) The commissioner shall by rule adopt a standard which specifies the criteria to be considered in determining whether or not a person is a technically qualified individual under this subdivision.

Sec. 3. Minnesota Statutes 1988, section 182.651, is amended by adding a subdivision to read:

Subd. 20. [INFECTIOUS AGENT.] "Infectious agent" means a communicable bacterium, rickettsia, parasites, virus, or fungus determined by the commissioner by rule, with approval of the commissioner of health, which according to documented medical or scientific evidence causes substantial acute or chronic illness or permanent disability as a foreseeable and direct result of any routine exposure to the infectious agent. Infectious agent does not include an agent in or on the body of a patient before diagnosis.

Sec. 4. Minnesota Statutes 1988, section 182.653, subdivision 4f, is amended to read:

Subd. 4f. Each employer who operates a hospital or clinic shall provide training according to a program developed by the commissioner by rule with approval of the commissioner of health to its employees who are routinely exposed to an infectious agent. The training shall include the information required by the rule for that agent as developed by the commissioner and shall include, if known, names of infectious agents to which the employee is routinely exposed, proper techniques for the employee to avoid self-contamination, and symptoms and effects of contamination. Training shall be provided upon the initial assignment of the employee to a job where that person will be routinely exposed to an infectious agent. Existing in-service, hospital licensure or certification programs which the commissioner determines substantially comply with the rules adopted pursuant to this subdivision may be certified by the commissioner to satisfy all or a part of the rules. "Infectious agent" means a communicable bacterium, rickettsia, parasites, virus, or fungus determined by the commissioner by rule, with approval of the commissioner of health, which according to documented medical or scientific evidence causes substantial acute or chronic illness or permanent disability as a foreseeable and direct result of any routine exposure to the infectious agent. Infectious agent does not include an agent in or on the body of a patient before diagnosis.

Infectious agent does not include an agent being developed or regularly utilized by a technically qualified individual in a research, medical research, medical diagnostic or medical educational labora-

tory or in a health care facility or in a clinic associated with a laboratory or health care facility, or in a pharmacy registered and licensed under chapter 151.

Employees who have been routinely exposed to an infectious agent prior to the effective date of Laws 1983, chapter 316 and who continue to be routinely exposed to that infectious agent after the effective date of Laws 1983, chapter 316, shall be trained with respect to that infectious agent within six months of the effective date of Laws 1983, chapter 316.

Training to update the information required to be provided under this subdivision shall be repeated at intervals no greater than one year.

Any technically qualified individual shall be notified of and may elect to participate in any training or update programs required to be provided under this subdivision to employees who are not technically qualified individuals. The employer shall make a reasonable attempt to allow technically qualified individuals to attend training or update programs which may be held during the employee's scheduled work hours.

Sec. 5. Minnesota Statutes 1988, section 182.669, subdivision 1, is amended to read:

Subdivision 1. Any employee believed to have been discharged or otherwise discriminated against by any person because such employee has exercised any right authorized under the provisions of sections 182.65 to 182.674, may, within 30 days after such alleged discrimination occurs, file a complaint with the commissioner alleging the discriminatory act. Upon receipt of such complaint, the commissioner shall cause such investigation to be made as the commissioner deems appropriate. If upon such investigation the commissioner determines that a discriminatory act was committed against an employee the commissioner shall refer the matter to the office of administrative hearings for a hearing before an administrative law judge pursuant to the provisions of chapter 14. The administrative law judge may order rehiring of the employee; reinstatement of the employee's former position, fringe benefits, seniority rights, back pay, recovery of compensatory damages, and reasonable attorney fees, or other appropriate relief. In all cases where the administrative law judge finds that an employee has been discharged or otherwise discriminated against by any person because the employee has exercised any right authorized under sections 182.65 to 182.674, the administrative law judge may order payment to the employee of back pay and compensatory damages. The administrative law judge may also order rehiring of the employee; reinstatement of the employee's former position, fringe benefits, and seniority rights; and other appropriate relief. In addition, the administrative law judge may order payment to the

commissioner or to the employee of costs, disbursements, witness fees, and attorney fees. Interest shall accrue on, and be added to, the unpaid balance of an administrative law judge's order from the date the order is signed by the administrative law judge until it is paid, at the annual rate provided in section 549.09, subdivision 1, paragraph (c). An employee may bring a private action in the district court for relief under this section.

Sec. 6. [TRANSITION TRAINING PERIOD.]

This section applies to employees who are subject to the training requirements of section 182.653, subdivision 4f, because of the amendment in section 4. Employees who have been routinely exposed to an infectious agent prior to August 1, 1989, and who continue to be exposed after August 1, 1989, must be trained with respect to that infectious agent by no later than February 1, 1990."

Delete the title and insert:

"A bill for an act relating to occupational safety and health; proposing changes to the employee right-to-know act of 1983; amending Minnesota Statutes 1988, sections 182.651, subdivisions 7, 16, and by adding a subdivision; 182.653, subdivision 4f; and 182.669, subdivision 1."

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

House Conferees: KAREN CLARK, SANDY PAPPAS AND WARREN E. LIMMER

Senate Conferees: PAT PIPER, JAMES C. PEHLER AND JIM GUSTAFSON.

Clark moved that the report of the Conference Committee on H. F. No. 300 be adopted and that the bill be repassed as amended by the Conference Committee. The motion prevailed.

H. F. No. 300, A bill for an act relating to occupational safety and health; increasing certain penalties; proposing changes to the employee right-to-know act of 1984; amending Minnesota Statutes 1988, sections 182.651, subdivisions 7, 14, 15, and by adding a subdivision; and 182.653, subdivisions 4b, 4c, and 4f; repealing Minnesota Statutes 1988, section 182.651, subdivision 16.

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 127 yeas and 2 nays as follows:

Those who voted in the affirmative were:

Abrams	Greenfield	Lieder	Orenstein	Simoneau
Anderson, G.	Gruenes	Limmer	Osthoff	Skoglund
Anderson, R.	Gutknecht	Long	Ostrom	Solberg
Battaglia	Hartle	Lynch	Otis	Sparby
Bauerly	Hasskamp	Macklin	Ozment	Stanius
Beard	Haukoos	Marsh	Pappas	Steensma
Begich	Heap	McDonald	Pauly	Sviggum
Bennett	Henry	McEachern	Pellow	Tjornhom
Bertram	Himle	McGuire	Pelowski	Tompkins
Bishop	Hugoson	McLaughlin	Peterson	Trimble
Blatz	Jacobs	McPherson	Price	Tunheim
Boo	Janezich	Milbert	Pugh	Uphus
Brown	Jaros	Miller	Quinn	Valento
Burger	Jefferson	Morrison	Redalen	Vellenga
Carlson, D.	Jennings	Munger	Reding	Wagenius
Carlson, L.	Johnson, A.	Murphy	Rest	Waltman
Carruthers	Johnson, R.	Nelson, C.	Rice	Weaver
Clark	Johnson, V.	Nelson, K.	Richter	Welle
Cooper	Kahn	Neuenschwander	Rodosovich	Wenzel
Dauner	Kalis	O'Connor	Rukavina	Williams
Dawkins	Kelso	Ogren	Runbeck	Winter
Dille	Kinkel	Olsen, S.	Sarna	Wynia
Dorn	Knickerbocker	Olson, E.	Schafer	Spk. Vanasek
Frederick	Kostohryz	Olson, K.	Schreiber	
Frerichs	Krueger	Omann	Seaberg	
Girard	Lasley	Onnen	Segal	

Those who voted in the negative were:

Dempsey Forsythe

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

CONFERENCE COMMITTEE REPORT ON H. F. NO. 1506

A bill for an act relating to commerce; regulating certain rentals of real property, membership camping practices, and subdivided land sales; amending Minnesota Statutes 1988, sections 82A.02, by adding a subdivision; 82A.04, subdivision 2; 82A.13, subdivision 2; 83.20, by adding a subdivision; and 83.30, subdivision 1.

May 11, 1989

The Honorable Robert E. Vanasek
Speaker of the House of Representatives

The Honorable Jerome M. Hughes
President of the Senate

We, the undersigned conferees for H. F. No. 1506, report that we have agreed upon the items in dispute and recommend as follows:

That the Senate recede from its amendment.

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

House Conferees: WALLY SPARBY, JOHN J. SARNA AND TONY L. BENNETT.

Senate Conferees: SAM G. SOLON, JAMES METZEN AND DON ANDERSON.

Sparby moved that the report of the Conference Committee on H. F. No. 1506 be adopted and that the bill be repassed as amended by the Conference Committee. The motion prevailed.

H. F. No. 1506, A bill for an act relating to commerce; regulating certain rentals of real property, membership camping practices, and subdivided land sales; amending Minnesota Statutes 1988, sections 82A.02, by adding a subdivision; 82A.04, subdivision 2; 82A.13, subdivision 2; 83.20, by adding a subdivision; and 83.30, subdivision 1.

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

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

Those who voted in the affirmative were:

Abrams	Frederick	Knickerbocker	Olson, E.	Sarna
Anderson, G.	Frerichs	Kostohryz	Olson, K.	Schafer
Anderson, R.	Girard	Krueger	Omänn	Schreiber
Battaglia	Greenfield	Lasley	Onnen	Seaberg
Bauerly	Gruenes	Lieder	Orenstein	Segal
Beard	Gutknecht	Limmer	Osthoff	Simoneau
Begich	Hartle	Long	Ostrom	Skoglund
Bennett	Hasskamp	Lynch	Otis	Solberg
Bertram	Haukoos	Macklin	Ozment	Sparby
Bishop	Heap	Marsh	Pappas	Stanius
Blatz	Henry	McDonald	Pauly	Steensma
Boo	Himle	McEachern	Pellow	Sviggum
Brown	Hugoson	McGuire	Pelowski	Tjornhom
Burger	Jacobs	McLaughlin	Peterson	Tompkins
Carlson, D.	Janezich	McPherson	Poppenhagen	Trimble
Carlson, L.	Jaros	Milbert	Price	Tunheim
Carruthers	Jefferson	Miller	Pugh	Uphus
Clark	Jennings	Morrison	Quinn	Valento
Conway	Johnson, A.	Munger	Redalen	Vellenga
Cooper	Johnson, R.	Murphy	Reding	Wagenius
Dauner	Johnson, V.	Nelson, C.	Rest	Waltman
Dawkins	Kahn	Nelson, K.	Rice	Weaver
Dempsey	Kalis	Neuenschwander	Richter	Welle
Dille	Kelly	O'Connor	Rodosovich	Wenzel
Dorn	Kelso	Ogren	Rukavina	Williams
Forsythe	Kinkel	Olsen, S.	Runbeck	Winter
				Wynia

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

Wynia moved that the House recess subject to the call of the Chair. The motion prevailed.

RECESS

RECONVENED

The House reconvened and was called to order by the Speaker.

CONSIDERATION UNDER RULE 1.10

Pursuant to rule 1.10, Anderson, G., requested immediate consideration of H. F. No. 417 and S. F. No. 783.

H. F. No. 417 was reported to the House.

Kalis moved to amend H. F. No. 417, the fifth engrossment, as follows:

Page 17, line 15, before the period insert "or that develop transportation equipment or systems for recyclable materials"

The motion prevailed and the amendment was adopted.

Jennings moved to amend H. F. No. 417, the fifth engrossment, as amended, as follows:

Page 31, lines 24 and 25, delete everything inside the brackets and insert "RECYCLING FEE."

Page 31, line 26, delete "SURCHARGE" and insert "FEE"; delete "surcharge" and insert "recycling fee"

Page 31, line 29, delete "surcharge" and insert "fee"

Page 31, line 33, delete "surcharge" and insert "fee"

Page 31, line 36, delete "surcharge" and insert "fee"

Page 32, line 3, delete "surcharge" and insert "fee"

Page 32, line 9, delete "surcharge" and insert "fee"

Page 32, line 12, delete "surcharge" and insert "fee"

Page 32, line 16, delete "surcharge" and insert "fee"

Page 32, line 18, delete "surcharge" and insert "fee"

Page 32, line 19, delete "surcharge" and insert "fee"

The motion prevailed and the amendment was adopted.

CALL OF THE HOUSE

On the motion of Olsen, S., and on the demand of 10 members, a call of the House was ordered. The following members answered to their names:

Anderson, R.	Frerichs	Lasley	Ostrom	Seaberg
Battaglia	Girard	Lieder	Otis	Segal
Beard	Gruenes	Limmer	Pappas	Skoglund
Begich	Gutknecht	Lynch	Pauly	Solberg
Bertram	Hartle	Macklin	Pellow	Sparby
Bishop	Haukoos	Marsh	Peterson	Stanius
Boo	Henry	McEachern	Poppenhagen	Steenma
Burger	Hugoson	McGuire	Pugh	Sviggum
Carlson, D.	Jacobs	McLaughlin	Quinn	Tjornhom
Carlson, L.	Janezich	McPherson	Redalen	Tunheim
Carruthers	Jefferson	Miller	Reding	Valento
Clark	Jennings	Munger	Rest	Wagenius
Conway	Johnson, A.	Nelson, C.	Rice	Waltman
Cooper	Johnson, R.	Neuenschwander	Richter	Weaver
Dauner	Johnson, V.	O'Connor	Rodosovich	Welle
Dawkins	Kahn	Ogren	Rukavina	Wenzel
Dempsey	Kalis	Olsen, S.	Runbeck	Williams
Dorn	Kelso	Olson, K.	Sarna	Wynia
Forsythe	Knickerbocker	Omann	Schafer	Spk. Vanasek
Frederick	Krueger	Onnen	Schreiber	

McLaughlin moved that further proceedings of the roll call be dispensed with and that the Sergeant at Arms be instructed to bring in the absentees. The motion prevailed and it was so ordered.

Olsen, S.; Gutknecht; Sviggum and Frerichs moved to amend H. F. No. 417, the fifth engrossment, as amended, as follows:

Page 17, line 30, delete "4" and insert "2"

Pages 31 to 32, delete section 2 and insert:

"Sec. 2. [115A.922] [RECYCLING FEE.]

(a) The operator of a mixed municipal solid waste disposal or

resource recovery facility shall pay a fee on waste accepted at the facility as follows:

(1) \$9 per ton or equivalent volume of mixed municipal solid waste accepted at a disposal facility, including waste residuals from a resource recovery facility;

(2) \$4 per ton or equivalent volume of waste residue that is accepted at a disposal facility from a mixed municipal solid waste resource recovery facility; and

(3) \$1 per ton or equivalent of mixed municipal solid waste accepted at a resource recovery facility.

(b) Waste from a recycling facility that separates or processes recyclable materials and that reduces the volume of the waste by at least 85 percent is exempt from the fee. To qualify for exemption under this paragraph waste must be brought to the disposal facility separately.

(c) Recyclable materials that are separately collected, processed and accepted for recycling at a facility are exempt from the fee at that facility.

(d) For the purposes of this section: "waste residuals" means that portion of mixed municipal solid waste accepted at a resource recovery facility that is sent on to a disposal facility without being processed by incineration or into refuse derived fuel; and "waste residue" means the waste generated by a resource recovery facility by processing mixed municipal solid waste by incineration or into refuse derived fuel.

Subd. 2. [PAYMENT; DISPOSITION.] (a) On or before the 20th day of each month, each operator of a mixed municipal solid waste disposal or resource recovery facility shall pay the fee due under this section for the previous month and shall report the amount of waste accepted during that month to the commissioner of revenue.

(b) The proceeds of the fees imposed under this section, including interest and penalties, must be deposited as follows:

(1) 91 percent must be credited to the environmental fund; and

(2) nine percent must be deposited in the recycling accounts of counties that have developed recycling programs and are in immediate need of market development assistance, as certified by the waste management board.

(c) The fee imposed in this section is in addition to the fees

authorized in sections 115A.919 and 115A.921 and the fee imposed in section 473.843.

Subd. 3. [EXCHANGE OF INFORMATION.] Notwithstanding the provision of section 116.075, the agency may provide the commissioner of revenue with the information necessary for the enforcement of this section. Information disclosed in a return filed under this section is public information. Information exchanged between the commissioner and the agency is public unless the information is of the type determined to be for the confidential use of the agency under section 116.075 or is trade secret information classified under section 13.37. Information obtained in the course of an audit by the department of revenue is private or nonpublic data to the extent that it would not be directly divulged in a return.

Subd. 4. [PENALTIES; ENFORCEMENT.] The audit, penalty, and enforcement provisions applicable to taxes imposed under chapter 290 apply to the fees imposed under this section. The commissioner of revenue shall administer the provisions.

Subd. 5. [RULES.] The commissioner of revenue may adopt rules necessary to implement this section."

A roll call was requested and properly seconded.

The question was taken on the Olsen, S., et al amendment and the roll was called.

McLaughlin moved that those not voting be excused from voting. The motion prevailed.

There were 29 yeas and 81 nays as follows:

Those who voted in the affirmative were:

Abrams	Frerichs	Knickerbocker	Pellow	Stanisus
Bishop	Gutknecht	Lieder	Poppenhagen	Sviggunn
Blatz	Heap	Limmer	Rest	Tjornhom
Burger	Henry	Olsen, S.	Rumbeck	Valento
Carlson, L.	Kelso	Olsen, E.	Schreiber	Waltman
Forsythe	Kinkel	Pauly	Segal	

Those who voted in the negative were:

Anderson, R.	Carruthers	Frederick	Jennings	McEachern
Battaglia	Clark	Girard	Johnson, A.	McLaughlin
Bauerly	Conway	Gruenes	Johnson, R.	Milbert
Beard	Cooper	Haukoos	Johnson, V.	Miller
Begich	Dauner	Himle	Kahn	Morrison
Bertram	Dawkins	Hugoson	Kalis	Munger
Boo	Dempsey	Jacobs	Lasley	Murphy
Brown	Dille	Janezich	Lynch	Neuenschwander
Carlson, D.	Dorn	Jefferson	Marsh	O'Connor

Ogren	Peterson	Rukavina	Steensma	Williams
Olson, K.	Pugh	Sarna	Trimble	Winter
Omann	Quinn	Schafer	Tunheim	Wynia
Onnen	Redalen	Seaberg	Uphus	Spk. Vanasek
Ostrom	Reding	Simoneau	Wagenius	
Otis	Rice	Skoglund	Weaver	
Pappas	Richter	Solberg	Welle	
Pelowski	Rodosovich	Sparby	Wenzel	

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

Anderson, R., was excused while in conference.

CALL OF THE HOUSE LIFTED

Limmer moved that the call of the House be dispensed with. The motion prevailed and it was so ordered.

Limmer moved to amend H. F. No. 417, the fifth engrossment, as amended, as follows:

Page 32, after line 23, insert:

“Sec. 3. [REPEALER.]

Section 2 is repealed June 30, 1992.”

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

Stanius moved to amend H. F. No. 417, the fifth engrossment, as amended, as follows:

Page 7, line 14, after the semicolon insert “and”

Page 7, delete line 15

Page 7, line 16, delete “(3)” and insert “(2)” and delete “yard waste,”

Page 32, after line 14, insert:

“(c) Political subdivisions that have met, for one year, the recycling goal established in article 2, section 4, and residents of those political subdivisions are exempt from paying the surcharge imposed in subdivision 1. The waste management board, for political subdivisions outside the metropolitan area as defined in section 473.121, and the metropolitan council, for political subdivisions in the metropolitan area, shall annually certify to the commissioner of

revenue, by a date established by the commissioner, those political subdivisions that qualify for exemption from the surcharge."

A roll call was requested and properly seconded.

The question was taken on the Stanius amendment and the roll was called. There were 42 yeas and 78 nays as follows:

Those who voted in the affirmative were:

Abrams	Gutknecht	Limmer	Poppenhagen	Sviggum
Bennett	Haukoos	Lynch	Richter	Tjornhom
Blatz	Heap	McDonald	Runbeck	Tompkins
Boo	Henry	McPherson	Schafer	Valento
Burger	Hugoson	Miller	Schreiber	Waltman
Dempsey	Johnson, V.	Olsen, S.	Seaberg	Weaver
Forsythe	Kelso	Onnen	Segal	
Frerichs	Knickerbocker	Ozment	Sparby	
Girard	Kostohryz	Pellow	Stanius	

Those who voted in the negative were:

Anderson, G.	Greenfield	Long	Ostrom	Simoneau
Battaglia	Gruenes	Marsh	Otis	Skoglund
Bauerly	Hasskamp	McEachern	Pappas	Solberg
Beard	Himle	McGuire	Pauly	Steensma
Begich	Jacobs	McLaughlin	Pelowski	Trimble
Bertram	Jaros	Munger	Peterson	Tunheim
Brown	Jennings	Murphy	Price	Uphus
Carlson, D.	Johnson, A.	Nelson, C.	Pugh	Vellenga
Carlson, L.	Johnson, R.	Nelson, K.	Quinn	Wagenius
Carruthers	Kahn	Neuenschwander	Redalen	Welle
Clark	Kalis	O'Connor	Reding	Wenzel
Conway	Kelly	Ogren	Rest	Winter
Cooper	Kinkel	Olson, E.	Rice	Wynia
Dauner	Krueger	Olson, K.	Rodosovich	Spk. Vanasek
Dawkins	Lasley	Omamn	Rukavina	
Dorn	Lieder	Orenstein	Sarna	

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

H. F. No. 417, A bill for an act relating to solid waste; establishing plans and programs to reduce waste generated, recycle waste, develop markets for recyclables, address materials that cause special problems in the waste stream, prevent, control, and abate litter, inform and educate the public on proper waste management; appropriating money; amending Minnesota Statutes 1988, sections 18B.01, by adding a subdivision; 115A.03, by adding subdivisions; 115A.072; 115A.12, subdivision 1; 115A.15, subdivision 5, and by adding subdivisions; 115A.46, subdivision 2, and by adding a subdivision; 115A.48, subdivision 3, and by adding subdivisions; 115A.96, subdivision 2, and by adding a subdivision; 116.07, by adding a subdivision; 116K.04, by adding a subdivision; 275.50, subdivision 5; 325E.115, subdivision 1; 400.08, by adding a subdivision; 473.149, subdivision 1; and 473.803, subdivision 1; proposing

coding for new law in Minnesota Statutes, chapters 18B; 115A; 116C; 116J; 121; 173; and 473.

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

The question was taken on the passage of the bill and the roll was called. There were 128 yeas and 2 nays as follows:

Those who voted in the affirmative were:

Abrams	Frerichs	Krueger	Onnen	Segal
Anderson, G.	Girard	Lasley	Orenstein	Simoneau
Battaglia	Greenfield	Lieder	Ostrom	Skoglund
Bauerly	Gruenes	Limmer	Otis	Solberg
Beard	Gutknecht	Long	Ozment	Sparby
Begich	Hartle	Lynch	Pappas	Stanius
Bennett	Hasskamp	Macklin	Pauly	Steensma
Bertram	Haukoos	Marsh	Pellow	Swiggum
Bishop	Heap	McDonald	Pelowski	Tjornholm
Blatz	Henry	McEachern	Peterson	Tompkins
Boo	Himle	McGuire	Poppenhagen	Trimble
Brown	Hugoson	McLaughlin	Price	Tunheim
Burger	Jacobs	McPherson	Pugh	Uphus
Carlson, D.	Janezich	Milbert	Quinn	Valento
Carlson, L.	Jaros	Miller	Redalen	Vellenga
Carruthers	Jefferson	Morrison	Reding	Wagenius
Clark	Jennings	Munger	Rest	Waltman
Conway	Johnson, A.	Murphy	Rice	Weaver
Cooper	Johnson, R.	Nelson, C.	Richter	Welle
Dauner	Johnson, V.	Nelson, K.	Rodosovich	Wenzel
Dawkins	Kahn	Neuenschwander	Rukavina	Williams
Dempsey	Kalis	O'Connor	Runbeck	Winter
Dille	Kelly	Ogren	Sarna	Wynia
Dorn	Kelso	Olsen, S.	Schafer	Spk. Vanasek
Forsythe	Kinkel	Olson, K.	Schreiber	
Frederick	Kostohryz	Omann	Seaberg	

Those who voted in the negative were:

Knickerbocker Osthoff

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

The Speaker called McLaughlin to the Chair.

S. F. No. 783 was reported to the House.

Simoneau moved to amend S. F. No. 783, the unofficial engrossment, as follows:

Page 216, line 33, delete "1984" and insert "1988"

The motion prevailed and the amendment was adopted.

The Speaker resumed the Chair.

Welle and Sviggum moved to amend S. F. No. 783, the unofficial engrossment, as amended, as follows:

Page 213, line 22, delete "The term includes the"

Page 213, delete lines 23 and 24

Page 213, line 25, delete "legislator." and delete "paid"

Page 213, line 26, delete "other than during the regular or special session"

Page 214, line 14, after "1," insert "or"

Page 214, line 15, delete "or payments in lieu of"

Page 214, line 16, delete "contributions under section 3A.031"

Page 214, line 32, reinstate the stricken "or"

Page 214, line 34, after "2" delete the balance of the line

Page 214, line 35, delete the new language

Pages 216 and 217, delete section 6

Renumber the sections in article 16 in sequence

Page 217, line 13, delete "8" and insert "7"

Page 217, line 14, delete "7" and insert "6"

Amend the title as follows:

Page 2, line 26, delete "3A,"

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

McLaughlin; Clark; Olsen, S.; Carlson, L.; Carlson, D.; Schafer; Kelly; Tjornhom; Brown; Munger; O'Connor; Schreiber; Krueger; Heap; Carruthers; Bennett; Winter; Dille; Kahn; Rice; Pelowski; Begich; Quinn; Peterson; Johnson, A.; Skoglund; Jacobs; Beard; Onnen; Otis; Johnson, R.; Cooper; Sparby; Greenfield; Ogren; Redalen; Blatz; Rukavina; Nelson, K.; Knickerbocker; Lasley; Bauerly; Solberg; Jefferson; Bertram; Ozment; McEachern; Reding; Murphy;

Kalis; Kinkel; Jaros; Pugh; Limmer; Miller; Nelson, C.; Abrams; Battaglia; Stanius; McDonald; Tunheim; Hartle; Wagenius; Macklin and Uphus moved to amend S. F. No. 783, the unofficial engrossment, as amended, as follows:

Page 231, after line 9, insert:

“ARTICLE 19

Section 1. [CITATION.]

Sections 1 to 7 may be cited as the “pension refinancing and incentive to retirement investment earnings act of 1989.”

Sec. 2. Minnesota Statutes 1988, section 69.031, subdivision 5, is amended to read:

Subd. 5. [DEPOSIT OF STATE AID.] (1) The municipal treasurer, on receiving the fire state aid, shall within 30 days after receipt transmit it to the treasurer of the duly incorporated firefighters' relief association if there is one organized and the association has filed a financial report with the municipality; but if there is no relief association organized, or if any association dissolve, be removed, or has heretofore dissolved, or has been removed as trustees of state aid, then the treasurer of the municipality shall keep the money in the municipal treasury as provided for in section 424A.08 and shall be disbursed only for the purposes and in the manner set forth in that section.

(2) The municipal treasurer, upon receipt of the police state aid, shall disburse the police state aid in the following manner:

(a) For a municipality in which a local police relief association exists and all peace officers are members of the association, the total state aid shall be transmitted to the treasurer of the relief association within 30 days of the date of receipt, and the treasurer of the relief association shall immediately deposit the total state aid in the special fund of the relief association;

(b) For a municipality in which police retirement coverage is provided by the public employees police and fire fund and all peace officers are members of the fund, the total state aid shall be applied toward the municipality's employer contribution to the public employees police and fire fund pursuant to section 353.65, subdivision 3, and any state aid in excess of the amount required to meet the employer's contribution pursuant to section 353.65, subdivision 3, shall also be contributed to the public employees police and fire fund and credited in the manner to be specified by the board of trustees of the public employees retirement association; or

(c) For a municipality other than a city of the first class with a population of more than 300,000 in which both a police relief association exists and police retirement coverage is provided in part by the public employees police and fire fund, the municipality may elect at its option to transmit the total state aid to the treasurer of the relief association as provided in clause (a), to use the total state aid to apply toward the municipality's employer contribution to the public employees police and fire fund subject to all the provisions set forth in clause (b), or to allot the total state aid proportionately to be transmitted to the police relief association as provided in this subdivision and to apply toward the municipality's employer contribution to the public employees police and fire fund subject to the provisions of clause (b) on the basis of the respective number of active full-time peace officers, as defined in section 69.011, subdivision 1, clause (g).

For a city of the first class with a population of more than 300,000, in addition, the city may elect to allot the appropriate portion of the total police state aid to apply toward the employer contribution of the city to the public employees police and fire fund based on the covered salary of police officers covered by the fund each payroll period and to transmit the balance to the police relief association.

(3) The county treasurer, upon receipt of the police state aid for the county, shall apply the total state aid toward the county's employer contribution to the public employees police and fire fund pursuant to section 353.65, subdivision 3, and any state aid in excess of the amount required to meet the employer's contribution pursuant to section 353.65, subdivision 3, shall also be contributed to the public employees police and fire fund and credited in the manner to be specified by the board of trustees of the public employees retirement association.

Sec. 3. Minnesota Statutes 1988, section 69.77, subdivision 2b, is amended to read:

Subd. 2b. [RELIEF ASSOCIATION FINANCIAL REQUIREMENTS; MINIMUM MUNICIPAL OBLIGATION.] The officers of the relief association shall determine the financial requirements of the relief association and minimum obligation of the municipality for the following calendar year in accordance with the requirements of this subdivision. The financial requirements of the relief association and the minimum obligation of the municipality shall be determined on or before the submission date established by the municipality pursuant to subdivision 2c.

The financial requirements of the relief association for the following calendar year shall be based on the most recent actuarial valuation or survey of the special fund of the association if more than one fund is maintained by the association, or of the association, if only one fund is maintained, prepared in accordance with sections

356.215, subdivisions 4 to 4k and 356.216, as required pursuant to subdivision 2h. If an actuarial estimate is prepared by the actuary of the relief association as part of obtaining a modification of the benefit plan of the relief association and the modification is implemented, the actuarial estimate shall be used in calculating the financial requirements of the relief association.

If the relief association has an unfunded actuarial accrued liability as reported in the most recent actuarial valuation or survey, the total of the amounts calculated pursuant to clauses (a), (b), and (c) shall constitute the financial requirements of the relief association for the following year. If the relief association does not have an unfunded actuarial accrued liability as reported in the most recent actuarial valuation or survey, the amount calculated pursuant to clauses (a) and (b) shall constitute the financial requirements of the relief association for the following year.

(a) The normal level cost requirement for the following year, expressed as a dollar amount, which shall be determined by applying the normal level cost of the relief association as reported in the actuarial valuation or survey and expressed as a percentage of covered payroll to the estimated covered payroll of the active membership of the relief association, including any projected increase in the active membership, for the following year.

(b) To the dollar amount of normal cost thus determined shall be added an amount equal to the dollar amount of the administrative expenses of the special fund of the association if more than one fund is maintained by the association, or of the association if only one fund is maintained, for the most recent year, multiplied by the factor of 1.035. For a relief association in a municipality, the administrative expenses are those authorized under section 69.80. No amount of administrative expenses under this clause shall be included in the financial requirements of a relief association in a city of the first class with a population of more than 300,000.

(c) To the dollar amount of normal cost and expenses determined under clauses (a) and (b) shall be added an amount equal to the level annual dollar amount which is sufficient to amortize the unfunded actuarial accrued liability by December 31, 2010, as determined from the actuarial valuation or survey of the fund, using an interest assumption set at the rate specified in section 356.215, subdivision 4d. The amortization date specified in this clause shall apply to all local police or salaried firefighters' relief associations and shall supersede any amortization date specified in any applicable special law.

The minimum obligation of the municipality shall be an amount equal to the financial requirements of the relief association reduced by the estimated amount of member contributions from covered salary anticipated for the following calendar year and the estimated

amounts anticipated for the following calendar year from the applicable state aid program established pursuant to sections 69.011 to 69.051 receivable by the relief association after any allocation made pursuant to section 69.031, subdivision 5, clause (2), subclause (c) or 423A.01, subdivision 2, clause (6), from the local police and salaried firefighters' relief association amortization aid program established pursuant to section 423A.02 and from the supplementary amortization state-aid program established under Laws 1984, chapter 564, section 48, and Laws 1985, chapter 261, section 17.

Sec. 4. Minnesota Statutes 1988, section 356.216, is amended to read:

356.216 [CONTENTS OF ACTUARIAL VALUATIONS FOR LOCAL POLICE AND FIRE FUNDS.]

(a) The provisions of section 356.215 governing the contents of actuarial valuations shall apply to any local police or fire pension fund or relief association required to make an actuarial report under this section except as follows:

(1) in calculating normal cost and other requirements, if required to be expressed as a level percentage of covered payroll, the salaries used in computing covered payroll shall be the maximum rate of salary from which retirement and survivorship credits and amounts of benefits are determined and from which any member contributions are calculated and deducted;

(2) in lieu of the amortization date specified in section 356.215, subdivision 4g, the appropriate amortization target date specified in section 69.77, subdivision 2b, or 69.773, subdivision 4, clause (b), shall be used in calculating any required amortization contribution;

(3) in addition to the tabulation of active members and annuitants provided for in section 356.215, subdivision 4i, the member contributions for active members for the calendar year and the prospective annual retirement annuities under the benefit plan for active members shall be reported;

(4) actuarial valuations required pursuant to section 69.773, subdivision 2, shall be made at least every four years and actuarial valuations required pursuant to section 69.77 shall be made annually; and

(5) the actuarial balance sheet showing accrued assets valued at market value if the actuarial valuation is required to be prepared at least every four years or valued as current assets under section 356.215, subdivision 1, clause ~~(5)~~ (6), or paragraph (b), whichever applies, if the actuarial valuation is required to be prepared annu-

ally, actuarial accrued liabilities, and the unfunded actuarial accrued liability shall include the following required reserves:

(a) For active members

1. Retirement benefits
2. Disability benefits
3. Refund liability due to death or withdrawal
4. Survivors' benefits

(b) For deferred annuitants' benefits

(c) For former members without vested rights

(d) For annuitants

1. Retirement annuities
2. Disability annuities
3. Surviving spouses' annuities
4. Surviving children's annuities

In addition to those required reserves, separate items shall be shown for additional benefits, if any, which may not be appropriately included in the reserves listed above.

(6) actuarial valuations shall be due by the first day of the seventh month after the end of the fiscal year which the actuarial valuation covers.

(b) For a relief association in a city of the first class with a population of more than 300,000, the following provisions additionally apply:

(1) in calculating the actuarial balance sheet, unfunded actuarial accrued liability, and amortization contribution of the relief association, "current assets" means the value of all assets at cost, including realized capital gains and losses, plus or minus, whichever applies, the average value of total unrealized capital gains or losses for the most recent three-year period ending with the end of the plan year immediately preceding the actuarial valuation report transmission date; and

(2) in calculating the applicable portions of the actuarial valuation, an annual preretirement interest assumption of six percent, an annual postretirement interest assumption of six percent, and an annual salary increase assumption of four percent must be used.

Sec. 5. Minnesota Statutes 1988, section 423A.01, subdivision 2, is amended to read:

Subd. 2. [OPERATION OF LOCAL RELIEF ASSOCIATION UPON MODIFICATION OF RETIREMENT COVERAGE FOR NEWLY HIRED POLICE OFFICERS AND FIREFIGHTERS.] The following provisions shall govern the operation of a local relief

association upon the modification of retirement coverage for newly hired police officers or firefighters:

(1) The minimum obligation of a municipality in which the retirement coverage for newly hired police officers or salaried firefighters has been modified pursuant to subdivision 1 with respect to the local relief association shall be determined and governed in accordance with the provisions of sections 69.77, 356.215 and 356.216, except that the normal cost calculation for the relief association shall be computed as a percentage of the compensation paid to the active members of the relief association. The compensation paid to persons with retirement coverage modified pursuant to subdivision 1 shall not be included in any of the computations made in determining the obligation of the municipality with respect to the local relief association.

(2) The contribution rate of members of the local relief association shall be governed by section 69.77, unless a special law establishing a greater member contribution rate is applicable whereupon it shall continue to govern. The member contribution rate of persons with retirement coverage modified pursuant to subdivision 1 shall be governed by section 353.65.

(3) Unless otherwise provided for by law, when every active member of the local relief association retires or terminates from active duty, the local relief association shall cease to exist as a legal entity and the assets of the special fund of the relief association shall be transferred to a trust fund to be established by the appropriate municipality for the purpose of paying service pensions and retirement benefits to recipient beneficiaries. Recipient beneficiaries who are competent to act on their own behalf shall be entitled to select the prescribed number of trustees of the trust fund as provided in this clause, subject to the approval of the governing body of the municipality. If there are at least five recipient beneficiaries, the trust fund shall be managed by a board of trustees composed of five persons selected by the recipient beneficiaries of the fund. When there are fewer than five recipient beneficiaries, the number of trustees selected by the recipient beneficiaries shall be equal to the number of the remaining recipient beneficiaries. The governing body of the municipality shall select the additional trustees. The term of the elected members of the board of trustees shall be indefinite and shall continue until a vacancy occurs in one of the board of trustee member positions. Board of trustee members shall not be compensated for their services, but shall be reimbursed for any expenses actually and necessarily incurred as a result of the performance of their duties in their capacity as board of trustee members. The municipality shall perform whatever services are necessary to administer the trust fund. When all obligations of the trust fund are paid, the balance of the assets remaining in the trust fund shall revert to the municipality for expenditure for law enforcement or firefighting purposes, whichever is applicable.

(4) The financial requirements of the trust fund and the minimum obligation of the municipality with respect to the trust fund shall be determined in accordance with sections 69.77, 356.215 and 356.216 until the unfunded accrued liability of the trust fund is fully amortized in accordance with section 69.77, subdivision 2b. The municipality shall provide in its annual budget for at least the aggregate amount of service pensions, disability benefits, survivorship benefits and refunds which are projected as payable for the following calendar year, as determined by the board of trustees of the trust fund, less the amount of assets in the trust fund as of the end of the most current calendar year for which figures are available, valued pursuant to section 356.20, subdivision 4, clause (1)(a), if the difference between those two figures is a positive number.

(5) In calculating the amount of service pensions and other retirement benefits payable from the local relief association and in calculating the amount of any automatic post retirement increases in those service pensions and retirement benefits based on the salary paid or payable to active members or escalated in any fashion, the salary for use as the base for the service pension or retirement benefit calculation and the post retirement increase calculation for the local relief association shall be the salary for the applicable position as specified in the articles of incorporation or bylaws of the relief association as of the date immediately prior to the effective date of the modification of retirement coverage for newly hired personnel pursuant to subdivision 1, as the applicable salary is reset by the municipality periodically, irrespective of whether retirement coverage for persons holding the applicable position used in calculations is provided by the relief association or by the public employees police and fire fund.

(6) If the modification of retirement coverage implemented pursuant to subdivision 1 is applicable to a local police relief association, the police state aid received by the municipality shall be disbursed pursuant to section 69.031, subdivision 5, clause (2)(c). If the modification of retirement coverage implemented pursuant to subdivision 1 is applicable to a local firefighters' relief association, the fire state aid received by the applicable municipality other than a city of the first class with a population of more than 300,000 shall be disbursed as the municipality at its option may elect. The municipality may elect: (a) to transmit the total fire state aid to the treasurer of the local relief association for immediate deposit in the special fund of the relief association; or (b) to apply the total fire state aid toward the employer contribution of the municipality to the public employees police and fire fund pursuant to section 353.65, subdivision 3; or (c) to allocate the total fire state aid proportionately between the special fund of the local relief association and employer contribution of the municipality to the public employees police and fire fund on the basis of the respective number of active full time salaried firefighters receiving retirement coverage from each.

For a city of the first class with a population of more than 300,000, in addition, the city may elect to allot the appropriate portion of the total fire state aid to apply toward the employer contribution of the city to the public employees police and fire fund based on the covered salary of firefighters covered by the fund each payroll period and to transmit the balance to the firefighters relief association.

Sec. 6. [DISPOSITION OF ASSETS UPON CONCLUSION OF BENEFIT PAYMENTS.]

Upon the death of the last benefit recipient and the certification by the chief administrative officer of a city of the first class with a population of more than 300,000 to the state auditor of the absence of any remaining person with a benefit entitlement, the assets of the relief association or trust fund, whichever applies, must revert to the city and may be used by the city only for law enforcement or firefighting expenditure purposes, whichever applies.

Sec. 7. [INVESTMENT RELATED POSTRETIREMENT ADJUSTMENTS.]

Subdivision 1. [DEFINITIONS.] For the purposes of this section, each of the terms in this subdivision have the meanings given them in paragraphs (a) to (h).

(a) "Annual postretirement payment" means the payment of a lump sum postretirement benefit to an eligible member on June 1 following the determination date in any year.

(b) "City" means a city of the first class with a population of more than 300,000.

(c) "Determination date" means December 31 of each year.

(d) "Eligible member" means a person, including a service pensioner, a disability pensioner, a survivor, or dependent of a deceased active member, service pensioner, or disability pensioner, who received a pension or benefit during the 12 months before the determination date. A person who received a pension or benefit for the entire 12 months before the determination date are eligible for a full annual postretirement payment. A person who received a pension or benefit for less than 12 months before the determination date is eligible for a prorated annual postretirement payment.

(e) "Excess investment income" means the amount by which the time weighted total rate of return earned by the fund in the most recent fiscal year has exceeded the actual percentage increase in the current monthly salary of a top grade patrol officer or top grade firefighter, whichever applies, in the most recent fiscal year plus two percent. The excess investment income must be expressed as a

dollar amount and may not exceed one percent of the total assets of the fund and does not exist unless the yearly average percentage increase of the time weighted total rate of return of the fund for the previous five years exceeds by two percent the yearly average percentage increase in monthly salary of a top grade patrol officer or top grade firefighter, whichever applies, during the previous five calendar years.

(f) "Fund" means a police relief association or firefighters relief association, whichever applies, located in the city and governed by Minnesota Statutes, section 69.77.

(g) "Relief association" means the police relief association or the firefighters relief association, whichever applies, located in the city.

(h) "Time weighted total rate of return" means the percentage amount determined by using the formula or formulas established by the state board of investment under Minnesota Statutes, section 11A.04, clause (11), and in effect on January 1, 1987.

Subd. 2. [ANNUAL POSTRETIREMENT PAYMENT AUTHORIZED.] Notwithstanding the provisions of Minnesota Statutes, chapter 69, or any other law to the contrary, the relief association may provide annual postretirement payments to eligible members under this section.

Subd. 3. [DETERMINATION OF EXCESS INVESTMENT INCOME.] The board of trustees of the relief association shall determine by May 1 of each year whether or not the relief association has excess investment income. The amount of excess investment income, if any, must be stated as a dollar amount and reported by the chief administrative officer of the relief association to the mayor and governing body of the city, the state auditor, the commissioner of finance, and the executive director of the legislative commission on pensions and retirement. The dollar amount of excess investment income up to one percent of the assets of the fund must be applied for the purpose specified in subdivision 4. Excess investment income must not be considered as income to or assets of the fund for actuarial valuations of the fund for that year under sections 69.77, 356.215, and 356.216 and the provisions of this section except to offset the annual postretirement payment. Additional investment income is any realized or unrealized investment income other than the excess investment income and must be included in the actuarial valuations performed under sections 69.77, 356.215, and 356.216 and the provisions of this section.

Subd. 4. [AMOUNT OF ANNUAL POSTRETIREMENT PAYMENT.] The amount determined under subdivision 3 must be applied in accordance with this subdivision. The relief association shall apply the first one-half of one percent of excess investment income to the payment of an annual postretirement payment as

specified in this subdivision. The second one-half of one percent of excess investment income shall be applied to reduce the state amortization state aid or supplementary amortization state aid payments otherwise due to the relief association under section 423A.02 for the current calendar year. The relief association shall pay an annual postretirement payment to all eligible members in an amount not to exceed one-half of one percent of the assets of the fund. Payment of the annual postretirement payment must be in a lump sum amount on June 1 following the determination date in any year. Payment of the annual postretirement payment may be made only if the time weighted total rate of return exceeds by two percent the actual percentage increase in the current monthly salary of a top grade patrol officer or a top grade firefighter, whichever applies, in the most recent fiscal year and the yearly average percentage increase of the time weighted total rate of return of the fund for the previous five years exceeds by two percent the yearly average percentage increase in monthly salary of a top grade patrol officer or a top grade firefighter, whichever applies, of the previous five years. The total amount of all payments to members may not exceed the amount determined under subdivision 3. Payment to each eligible member must be calculated by dividing the total number of pension units to which eligible members are entitled into the excess investment income available for distribution to members, and then multiplying that result by the number of units to which each eligible member is entitled to determine each eligible member's annual postretirement payment. Payment to each eligible member may not exceed an amount equal to the total monthly benefit that the eligible member was entitled to in the prior year under the terms of the benefit plan of the relief association or each eligible member's proportionate share of the excess investment income, whichever is less.

Subd. 5. [ANNUAL POSTRETIREMENT PAYMENT IN THE EVENT OF DEATH.] In the event an eligible member dies after the determination date and before the payment of the annual postretirement payment, the chief administrative officer of the relief association shall pay that eligible member's estate the amount to which the eligible member was entitled.

Subd. 6. [REPORT ON ANNUAL POSTRETIREMENT PAYMENT.] The chief administrative officer of the relief association shall submit a report on the amount of all postretirement payments made under this section and the manner in which those payments were determined to the state auditor, the executive director of the legislative commission on pensions and retirement, and the city clerk of the city.

Subd. 7. [NO GUARANTEE OF ANNUAL POSTRETIREMENT PAYMENT.] No provision of or payment made under this section may be interpreted or relied upon by any member of the relief association to guarantee or entitle a member to annual postretire-

ment payments for a period when no excess investment income is earned by the fund.

Sec. 8. [EFFECTIVE DATE.]

Sections 1 to 7 are effective on the day following final enactment and apply to 1988 investment performance, actuarial valuations covering the calendar year ending December 31, 1988, and the annual financial requirements and minimum municipal obligation based on the 1988 actuarial valuations.

Amend the title accordingly

The motion prevailed and the amendment was adopted.

S. F. No. 783, A bill for an act relating to education; proposing a fifth year incentive plan for teachers in the Duluth school district.

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

The question was taken on the passage of the bill and the roll was called. There were 130 yeas and 1 nay as follows:

Those who voted in the affirmative were:

Abrams	Frerichs	Kostohryz	Olson, K.	Schafer
Anderson, G.	Girard	Krueger	Omann	Schreiber
Battaglia	Greenfield	Lasley	Onnen	Seaberg
Bauerly	Gruenes	Lieder	Orenstein	Segal
Beard	Gutknecht	Limmer	Osthoff	Simoneau
Begich	Hartle	Long	Ostrom	Skoglund
Bennett	Hasskamp	Lynch	Otis	Solberg
Bertram	Haukoos	Macklin	Ozment	Sparby
Bishop	Heap	Marsh	Pappas	Stanius
Blatz	Henry	McDonald	Pauly	Steensma
Boo	Himle	McEachern	Pellow	Sviggum
Brown	Hugoson	McGuire	Pelowski	Tjornhom
Burger	Jacobs	McLaughlin	Peterson	Tompkins
Carlson, D.	Janezich	McPherson	Poppenhagen	Trimble
Carlson, L.	Jaros	Milbert	Price	Tunheim
Carruthers	Jefferson	Miller	Pugh	Uphus
Clark	Jennings	Morrison	Quinn	Valento
Conway	Johnson, A.	Munger	Redalen	Vellenga
Cooper	Johnson, R.	Murphy	Reding	Wagenius
Dauner	Johnson, V.	Nelson, C.	Rest	Waltman
Dawkins	Kahn	Nelson, K.	Rice	Weaver
Dempsey	Kalis	Neuenschwander	Richter	Wenzel
Dille	Kelly	O'Connor	Rodosovich	Williams
Dorn	Kelso	Ogren	Rukavina	Winter
Forsythe	Kinkel	Olsen, S.	Rumbeck	Wynia
Frederick	Knickerbocker	Olson, E.	Sarna	Spk. Vanasek

Those who voted in the negative were:

Welle

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

REPORT FROM THE COMMITTEE ON RULES AND
LEGISLATIVE ADMINISTRATION

Wynia, from the Committee on Rules and Legislative Administration, pursuant to House Rule No. 1.9, designated the following bills as Special Orders to be acted upon immediately preceding Special Orders pending for today, Thursday, May 18, 1989:

S. F. No. 1541; H. F. Nos. 1726, 1023 and 515; S. F. Nos. 1123 and 738; H. F. Nos. 404 and 723; S. F. No. 536; H. F. Nos. 1443 and 150; S. F. No. 613; H. F. Nos. 960, 618, 871, 782 and 1194; S. F. No. 481; H. F. Nos. 1163 and 1201; S. F. No. 499; H. F. Nos. 962, 1396, 207, 376 and 633; S. F. Nos. 470 and 1394; H. F. No. 777; S. F. Nos. 775, 564, 1378 and 661; and H. F. No. 851.

The Speaker called Rodosovich to the Chair.

SPECIAL ORDERS

S. F. No. 1541, A bill for an act relating to local government; providing for a chief administrative deputy sheriff in the unclassified service in Hennepin county; authorizing certain county sheriffs to appoint a chief deputy or first assistant; amending Minnesota Statutes 1988, sections 383B.32, subdivision 2; and 387.145.

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 121 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Abrams	Conway	Heap	Knickerbocker	Munger
Anderson, G.	Cooper	Henry	Kostohryz	Murphy
Battaglia	Dauner	Himle	Krueger	Nelson, C.
Bauerly	Dawkins	Hugoson	Lieder	Nelson, K.
Beard	Dille	Jacobs	Limmer	Neuenschwander
Begich	Dorn	Janezich	Long	O'Connor
Bennett	Forsythe	Jaros	Lynch	Olsen, S.
Bertram	Frederick	Jefferson	Macklin	Olson, E.
Bishop	Frerichs	Jennings	Marsh	Olson, K.
Blatz	Girard	Johnson, A.	McDonald	Omann
Boo	Greenfield	Johnson, V.	McGuire	Onnen
Brown	Gruenes	Kahn	McLaughlin	Orenstein
Burger	Gutknecht	Kalis	McPherson	Osthoff
Carlson, D.	Hartle	Kelly	Milbert	Ostrom
Carruthers	Hasskamp	Kelso	Miller	Otis
Clark	Haukoos	Kinkel	Morrison	Ozment

Pappas	Reding	Seaberg	Trimble	Wenzel
Pauly	Rest	Segal	Tunheim	Williams
Pellow	Rice	Skoglund	Uphus	Winter
Pelowski	Richter	Sparby	Valento	Wynia
Peterson	Rodosovich	Stanius	Vellenga	Spk. Vanasek
Poppenhagen	Rukavina	Steensma	Wagenius	
Price	Runbeck	Sviggum	Waltman	
Pugh	Schafer	Tjornhom	Weaver	
Redalen	Schreiber	Tompkins	Welle	

The bill was passed and its title agreed to.

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

S. F. No. 1123 was reported to the House.

Scheid moved to amend S. F. No. 1123, as follows:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1988, section 53.04, subdivision 3a, is amended to read:

Subd. 3a. (a) The right to make loans, secured or unsecured, at the rates and on the terms and other conditions permitted licensees under chapter 56. Loans made under the authority of section 56.125 must be in amounts in compliance with section 53.05, clause (7). All other loans made under the authority of chapter 56 must be in amounts in compliance with section 53.05, clause (7), or 56.131, subdivision 1, paragraph (a), whichever is less. The right to extend credit or lend money and to collect and receive charges therefor as provided by chapter 334, or in lieu thereof to charge, collect, and receive interest at the rate of 21.75 percent per annum, including the right to contract for, charge, and collect all other charges including discount points, fees, late payment charges, and insurance premiums on the loans to the same extent permitted on loans made under the authority of chapter 56, regardless of the amount of the loan. The provisions of sections 47.20 and 47.21 do not apply to loans made under this subdivision, except as specifically provided in this subdivision. Nothing in this subdivision is deemed to supersede, repeal, or amend any provision of section 53.05. A licensee making a loan under this chapter secured by a lien on real estate shall comply with the requirements of section 47.20, subdivision 8.

(b) Loans made under this subdivision at a rate of interest not in excess of that provided for in paragraph (a) may be secured by real or personal property, or both. If the proceeds of a loan secured by a first lien on the borrower's primary residence are used to finance the purchase of the borrower's primary residence, the loan must comply with the provisions of section 47.20.

(c) A loan made under this subdivision that is secured by real estate and that is in a principal amount of \$7,500 or more and a maturity of 60 months or more may contain a provision permitting discount points, if the loan does not provide a loan yield in excess of the maximum rate of interest permitted by this subdivision. Loan yield means the annual rate of return obtained by a licensee computed as the annual percentage rate is computed under Federal Regulation Z. ~~If the loan is prepaid in full, the licensee must make a refund to the borrower to the extent that the loan yield will exceed the maximum rate of interest provided by this subdivision when the prepayment is taken into account.~~

(d) An agency or instrumentality of the United States government or a corporation otherwise created by an act of the United States Congress or a lender approved or certified by the secretary of housing and urban development, or approved or certified by the administrator of veterans affairs, or approved or certified by the administrator of the farmers home administration, or approved or certified by the federal home loan mortgage corporation, or approved or certified by the federal national mortgage association, that engages in the business of purchasing or taking assignments of mortgage loans and undertakes direct collection of payments from or enforcement of rights against borrowers arising from mortgage loans, is not required to obtain a certificate of authorization under this chapter in order to purchase or take assignments of mortgage loans from persons holding a certificate of authorization under this chapter.

Sec. 2. Minnesota Statutes 1988, section 53.04, is amended by adding a subdivision to read:

Subd. 3c. The right to extend credit and make loans under chapter 51A on the same terms and subject to the same conditions as apply to other lenders under that chapter. This subdivision does not authorize an industrial loan and thrift company to make loans under a credit card or overdraft checking plan.

Sec. 3. Minnesota Statutes 1988, section 53.06, is amended to read:

53.06 [DIRECTORS, RESIDENCE.]

At least three-fourths of the directors of any industrial loan and thrift company holding a certificate that includes the right to issue thrift certificates for investment must be residents of the county in which the industrial loan and thrift company maintains its principal place of business, an adjacent county or any county in which the industrial loan and thrift company maintains a place of business pursuant to this chapter Minnesota.

Sec. 4. Minnesota Statutes 1988, section 56.12, is amended to read:

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

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

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

A licensee may take a lien upon real estate as security for any loan exceeding \$2,700 in principal amount made under this chapter. The provisions of sections 47.20 and 47.21 do not apply to loans made under this chapter, except as provided in this section. No loan secured by a first lien on a borrower's primary residence shall be made pursuant to this section if the proceeds of the loan are used to finance the purchase of the borrower's primary residence and section 56.131, subdivision 2. If the proceeds of a loan secured by a first lien on the borrower's primary residence are used to finance the purchase of the borrower's primary residence, the loan must comply with section 47.20, unless:

- (1) the proceeds of the loan are used to finance the purchase of a manufactured home; or
- (2) the proceeds of the loan are used in whole or in part to satisfy the balance owed on a contract for deed.

If the proceeds of the loan are used to finance the purchase of the borrower's primary residence, the licensee shall consent to the subsequent transfer of the real estate if the existing borrower continues after transfer to be obligated for repayment of the entire remaining indebtedness. The licensee shall release the existing borrower from all obligations under the loan instruments, if the transferee (1) meets the standards of credit worthiness normally used by persons in the business of making loans, including but not limited to the ability of the transferee to make the loan payments and satisfactorily maintain the property used as collateral, and (2) executes an agreement in writing with the licensee whereby the

transferee assumes the obligations of the existing borrower under the loan instruments. Any such agreement shall not affect the priority, validity or enforceability of any loan instrument. A licensee may charge a fee not in excess of one-tenth of one percent of the remaining unpaid principal balance in the event the loan is assumed by the transferee and the existing borrower continues after the transfer to be obligated for repayment of the entire assumed indebtedness. A licensee may charge a fee not in excess of one percent of the remaining unpaid principal balance in the event the remaining indebtedness is assumed by the transferee and the existing borrower is released from all obligations under the loan instruments, but in no event shall the fee exceed \$150.

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

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

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

Sec. 5. Minnesota Statutes 1988, section 56.131, subdivision 1, is amended to read:

Subdivision 1. [INTEREST RATES AND CHARGES.] (a) On any loan in a principal amount not exceeding \$35,000 or ten percent of a corporate licensee's contributed capital and appropriated reserves as defined in section 53.015, if greater, a licensee may contract for and receive interest, calculated according to the actuarial method, not exceeding the equivalent of the greater of any of the following:

- (1) the total of: (i) 33 percent per year on that part of the unpaid

balance of the principal amount not exceeding ~~\$350~~ \$1,000; and (ii) 19 percent per year on that part of the unpaid balance of the principal amount exceeding ~~\$350~~ \$1,000; or

(2) 21.75 percent per year on the unpaid balance of the principal amount.

(b) On any loan where interest has been calculated according to the method provided for in paragraph (a), clause (1), interest must be contracted for and earned as provided in that provision or at the single annual percentage rate computed to the nearest 1/100 of one percent that would earn the same total interest at maturity of the contract as would be earned by the application of the graduated rates provided in paragraph (a), clause (1), when the debt is paid according to the agreed terms and the calculations are made according to the actuarial method.

(c) Loans may be interest-bearing or precomputed.

(d) To compute time on interest-bearing and precomputed loans, including, but not limited to the calculation of interest, a day is considered 1/30 of a month when calculation is made for a fraction of a calendar month. A year is 12 calendar months. A calendar month is that period from a given date in one month to the same numbered date in the following month, and if there is no same numbered date, to the last day of the following month. When a period of time includes a whole month and a fraction of a month, the fraction of a month is considered to follow the whole month.

In the alternative, for interest-bearing loans, a licensee may charge interest at the rate of 1/365 of the agreed annual rate for each actual day elapsed.

(e) With respect to interest-bearing loans:

(1) Interest must be computed on unpaid principal balances outstanding from time to time, for the time outstanding. Each payment must be applied first to the accumulated interest and the remainder of the payment applied to the unpaid principal balance; provided however, that if the amount of the payment is insufficient to pay the accumulated interest, the unpaid interest continues to accumulate to be paid from the proceeds of subsequent payments and is not added to the principal balance.

(2) Interest must not be payable in advance or compounded. However, if part or all of the consideration for a new loan contract is the unpaid principal balance of a prior loan, then the principal amount payable under the new loan contract may include any unpaid interest which has accrued. The unpaid principal balance of a precomputed loan is the balance due after refund or credit of

unearned interest as provided in paragraph (f), clause (3). The resulting loan contract is deemed a new and separate loan transaction for all purposes.

(f) With respect to precomputed loans:

(1) Loans must be repayable in substantially equal and consecutive monthly installments of principal and interest combined, except that the first installment period may be more or less than one month by not more than 15 days, and the first installment payment amount may be larger than the remaining payments by the amount of interest charged for the extra days and must be reduced by the amount of interest for the number of days less than one month to the first installment payment; and monthly installment payment dates may be omitted to accommodate borrowers with seasonal income.

(2) Payments may be applied to the combined total of principal and precomputed interest until the loan is fully paid. Payments must be applied in the order in which they become due.

(3) When any loan contract is paid in full by cash, renewal or refinancing, or a new loan, one month or more before the final installment due date, a licensee shall refund or credit the borrower with the total of the applicable charges for all fully unexpired installment periods, as originally scheduled or as deferred, which follow the day of prepayment; if the prepayment is made other than on a scheduled payment date, the nearest scheduled installment payment date must be used in the computation; provided further, if the prepayment occurs prior to the first installment due date, the licensee may retain 1/30 of the applicable charge for a first installment period of one month for each day from the date of the loan to the date of prepayment, and shall refund or credit the borrower with the balance of the total interest contracted for. If the maturity of the loan is accelerated for any reason and judgment is entered, the licensee shall credit the borrower with the same refund as if prepayment in full had been made on the date the judgment is entered.

(4) If an installment, other than the final installment, is not paid in full within ten days of its scheduled due date, a licensee may contract for and receive a default charge not exceeding five percent of the amount of the installment, but not less than \$4.

A default charge under this subdivision may not be collected on an installment paid in full within ten days of its scheduled due date, or deferred installment due date with respect to deferred installments, even though a default or deferral charge on an earlier installment has not been paid in full. A default charge may be collected at the time it accrues or at any time thereafter.

(5) If the parties agree in writing, either in the loan contract or in

a subsequent agreement, to a deferment of wholly unpaid installments, a licensee may grant a deferment and may collect a deferment charge as provided in this section. A deferment postpones the scheduled due date of the earliest unpaid installment and all subsequent installments as originally scheduled, or as previously deferred, for a period equal to the deferment period. The deferment period is that period during which no installment is scheduled to be paid by reason of the deferment. The deferment charge for a one-month period may not exceed the applicable charge for the installment period immediately following the due date of the last undeferred payment. A proportionate charge may be made for deferment for periods of more or less than one month. A deferment charge is earned pro rata during the deferment period and is fully earned on the last day of the deferment period. Should a loan be prepaid in full during a deferment period, the licensee shall make or credit to the borrower a refund of the unearned deferment charge in addition to any other refund or credit made for prepayment of the loan in full.

(6) If two or more installments are delinquent one full month or more on any due date, and if the contract so provides, the licensee may reduce the unpaid balance by the refund credit which would be required for prepayment in full on the due date of the most recent maturing installment in default. Thereafter, and in lieu of any other default or deferment charges, the single annual percentage rate permitted by this subdivision may be charged on the unpaid balance until fully paid.

(7) Following the final installment as originally scheduled or deferred, the licensee, for any loan contract which has not previously been converted to interest-bearing under paragraph (f), clause (6), may charge interest on any balance remaining unpaid, including unpaid default or deferment charges, at the single annual percentage rate permitted by this subdivision until fully paid.

Sec. 6. Minnesota Statutes 1988, section 56.131, subdivision 2, is amended to read:

Subd. 2. [ADDITIONAL CHARGES.] In addition to the charges provided for by this section and section 56.155, no further or other amount whatsoever, shall be directly or indirectly charged, contracted for, or received for the loan made, except actual out of pocket expenses of the licensee to realize on a security after default, and except for the following additional charges which may be included in the principal amount of the loan:

(a) lawful fees and taxes paid to any public officer to record, file, or release security;

(b) with respect to a loan secured by an interest in real estate, the following actual closing costs authorized in section 47.20, subdivi-

sion 2, clause (1), if they are bona fide, reasonable in amount, and not for the purpose of circumvention or evasion of this section; provided the costs do not exceed one percent of the principal amount or \$250, whichever is greater:

(1) fees or premiums for title examination, abstract of title, title insurance, surveys, or similar purposes;

(2) fees, if not paid to the licensee, an employee of the licensee, or a person related to the licensee, for preparation of a mortgage, settlement statement, or other documents; fees for notarizing mortgages and other documents, and appraisal fees;

(c) the premium for insurance in lieu of perfecting and releasing a security interest to the extent that the premium does not exceed the fees described in paragraph (a).

Sec. 7. Minnesota Statutes 1988, section 56.131, subdivision 6, is amended to read:

Subd. 6. [DISCOUNT POINTS.] A loan made under this section that is secured by real estate and that is in a principal amount of \$7,500 or more and has a maturity of 60 months or more may contain a provision permitting discount points, if the loan does not provide a loan yield in excess of the maximum rate of interest permitted by this section. Loan yield means the annual rate of return obtained by a licensee computed as the annual percentage rate is computed under Federal Regulation Z. If the loan is prepaid in full, the licensee must make a refund to the borrower to the extent that the loan yield will exceed the maximum rate of interest provided by this section when the prepayment is taken into account.

Sec. 8. Minnesota Statutes 1988, section 56.14, is amended to read:

56.14 [DUTIES OF LICENSEE.]

Every licensee shall:

(1) deliver to the borrower (or if there are two or more borrowers to one of them) at the time any loan is made a statement making the disclosures and furnishing the information required by the federal Truth-in-Lending Act, as amended from time to time, with respect to the contract of loan. A copy of the loan contract may be delivered in lieu of a statement if it discloses the required information;

(2) deliver or mail to the borrower without request, a written receipt within 30 days following payment for each payment by coin or currency made on account of any loan wherein charges are computed and paid on unpaid principal balances for the time

actually outstanding, specifying the amount applied to charges and the amount, if any, applied to principal, and stating the unpaid principal balance, if any, of the loan; and wherein precomputed charges have been added to the principal of the loan specifying the amount of the payment applied to principal and charges combined, the amount applied to default or extension charges, if any, and stating the unpaid balance, if any, of the precomputed loan contract. A periodic statement showing a payment received by mail complies with this clause;

(3) permit payment to be made in advance in any amount on any contract of loan at any time, but the licensee may apply the payment first to all charges in full at the agreed rate up to the date of the payment;

(4) upon repayment of the loan in full, mark indelibly every obligation and security, other than a mortgage or security agreement which secures a new loan to the licensee, signed by the borrower with the word "Paid" or "Canceled," and release any mortgage or security agreement which no longer secures a loan to the licensee, restore any pledge, and cancel and return any note, and any assignment given to the licensee which does not secure a new loan to the licensee within 20 days after the repayment;

(5) display prominently in each licensed place of business a full and accurate schedule, to be approved by the commissioner, of the charges to be made and the method of computing the same; furnish a copy of the contract of loan to any person obligated on it or who may become obligated on it at any time upon the request of that person;

(6) show in the loan contract or statement of loan the rate or rates of charge on which the charge in the contract is based, expressed in terms of rate or rates per annum. The rate expression shall be printed in at least 8-point type on the loan statement or copy of the loan contract given to the borrower.

Sec. 9. Minnesota Statutes 1988, section 168.71, is amended to read:

168.71 [RETAIL INSTALLMENT CONTRACTS.]

(a)(1) Every retail installment contract shall be in writing, shall contain all the agreements of the parties, shall be signed by the retail buyer and seller, and a copy thereof shall be furnished to such retail buyer at the time of the execution of the contract.

(2) No provisions for confession of judgment or power of attorney therefor contained in any retail installment contract or contained in a separate agreement relating thereto, shall be valid or enforceable.

(3) The holder of a precomputed retail installment contract may, if the contract so provides, collect a delinquency and collection charge on each installment in arrears for a period not less than ten days in an amount not in excess of five percent of each installment or \$5, whichever is the less greater. In addition to such delinquency and collection charge, the retail installment contract, whether interest-bearing or precomputed, may provide for the payment of attorneys' fees not exceeding 15 percent of the amount due and payable under such contract where such contract is referred to an attorney not a salaried employee of the holder of the contract for collection plus the court costs.

(4) Unless written notice has been given to the retail buyer of actual or intended assignment of a retail installment contract, payment thereunder or tender thereof made by the retail buyer to the last known holder of such contract shall be binding upon all subsequent holders or assignees.

(5) Upon written request from the retail buyer, the holder of the retail installment contract shall give or forward to the retail buyer a written statement of the dates and amounts of payments and the total amount unpaid under such contract. A retail buyer shall be given a written receipt for any payment when made in cash.

(b) The retail installment contract shall contain the following items:

(1) The cash sale price of the motor vehicle which is the subject matter of the retail installment contract;

(2) The total amount of the retail buyer's down payment, whether made in money or goods, or partly in money or partly in goods;

(3) The difference between items one and two;

(4) The charge, if any, included in the transaction for any insurance and other benefits not included in clause (1), specifying the types of coverage and taxes, fees, and charges that actually are or will be paid to public officials or government agencies, including those for perfecting, releasing, or satisfying a security interest if such taxes, fees, or charges are not included in clause (1);

(5) Principal balance, which is the sum of items three and four;

(6) The amount of the finance charge;

(7) The total of payments payable by the retail buyer to the retail seller and the number of installment payments required and the amount of each installment expressed in dollars or percentages, and

date of each payment necessary finally to pay the total of payments which is the sum of item five and item six.

Provided, however, that said items one to seven inclusive need not be stated in the terms, sequence or order set forth above. Provided further, that clauses (6) and (7) may be disclosed on the assumption that all scheduled payments under the contract will be made when due.

In lieu of the above clauses, the retail seller may give the retail buyer disclosures which satisfy the requirements of the Federal Truth-In-Lending Act in effect as of the time of the contract, notwithstanding whether or not that act applies to the transaction.

(c) Every retail seller or sales finance company, if a charge for insurance on the motor vehicle is included in a retail installment contract shall within 30 days after execution of the retail installment contract send or cause to be sent to the retail buyer a policy or policies or certificate of insurance, which insurance shall be written by a company authorized to do business in this state, clearly setting forth the amount of the premium, the kind or kinds of insurance and the scope of the coverage and all the terms, exceptions, limitations, restrictions and conditions of the contract or contracts of the insurance. The buyer of a motor vehicle under a retail installment contract shall have the privilege of purchasing such insurance from an agent or broker of the buyer's own selection and selecting an insurance company mutually acceptable to the seller and the buyer; provided, however, that the inclusion of the cost of the insurance premium in the retail installment contract when the buyer selects the agent, broker or company, shall be optional with the seller.

(d) Any sales finance company hereunder may purchase or acquire from any retail seller any retail installment contract on such terms and conditions as may be mutually agreed upon between them.

(e) An acknowledgment by the retail buyer of the delivery of any such copy or notice as required in subsection (a) contained in the body of the statement or contract shall be conclusive proof of delivery in any action or proceeding by or against any assignee of a retail installment contract.

Sec. 10. [EFFECTIVE DATE.]

Sections 1 to 9 are effective the day following final enactment."

Delete the title and insert:

"A bill for an act relating to commerce; industrial loan and thrift companies; regulating lending practices; prescribing the qualifications of the directors of certain companies; regulating the lending

practices of regulated lenders; specifying the loan fees and charges that may be imposed by regulated lenders; regulating delinquency and collection charges on retail installment contracts; regulating mortgage foreclosure notices; amending Minnesota Statutes 1988, sections 53.04, subdivision 3a, and by adding a subdivision; 53.06; 56.12; 56.131, subdivisions 1, 2, and 6; 56.14; 168.71; and 580.03."

The motion prevailed and the amendment was adopted.

Wynia moved to amend S. F. No. 1123, as amended, as follows:

Page 6, lines 10 and 11, delete "\$1,000" and insert "\$800"

Pages 9 and 10, delete section 6

Page 10, after line 19, insert:

"Sec. 6. Minnesota Statutes 1988, section 56.131, subdivision 4, is amended to read:

Subd. 4. [ADJUSTMENT OF DOLLAR AMOUNTS.] (a) The dollar amounts in this section, not including subdivision 1(a)(1), sections 56.01 and 56.12 shall change periodically, as provided in this section, according to and to the extent of changes in the implicit price deflator for the gross national product, 1972 = 100, compiled by the United States Department of Commerce, and hereafter referred to as the index. The index for December, 1980 is the reference base index for adjustments of dollar amounts, except that the index for December, 1984 is the reference base index for the minimum default charge of \$4.

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

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

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

(c) If the index is revised, the percentage of change pursuant to this section shall be calculated on the basis of the revised index. If a

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

(d) The commissioner shall announce and publish:

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

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

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

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

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 12, delete "2," and insert "4,"

The motion prevailed and the amendment was adopted.

Carlson, L., moved to amend S. F. No. 1123, as amended, as follows:

Page 1, after line 14, insert:

"Section 1. Minnesota Statutes 1988, section 49.24, subdivision 9, is amended to read:

Subd. 9. [DIVIDENDS ON CLAIMS.] At any time after the expiration of the date fixed for the presentation of claims the commissioner may, out of the funds remaining on hand after the payment of expenses and amounts due to depositors, declare one or

more dividends, and after the expiration of one year from the first publication of notice to creditors, may declare a final dividend, such dividends to be paid to such persons in such amounts as may be directed by the district court.

If any dividend on any claim shall be less than \$1, the commissioner may hold that dividend until it with subsequent dividends amounts to the sum of \$1 or more. The commissioner shall pay all dividends so withheld with the final dividend."

Page 12, after line 9, insert:

"Sec. 10. Minnesota Statutes 1988, section 56.155, subdivision 2, as amended by Laws 1989, chapter 166, section 27, if enacted during the 1989 regular legislative session, is amended to read:

Subd. 2. [PROPERTY INSURANCE.] A licensee may require the obligors to provide insurance on real or personal property security against reasonable risks of loss, damage, and destruction. The amount and term of the insurance shall be reasonable in relation to the value of the security ~~and, but the amount and term of the insurance shall not exceed the principal amount of the loan less any existing insurance, including homeowner's insurance as defined by section 65A.27, subdivision 4, on the secured property as to which the lender has been provided a loss payable clause and term of the loan, except that the lender may insure or arrange for insurance not to exceed the reasonable value of any motor vehicle collateral less any existing insurance on the motor vehicle as to which the lender has been provided a loss payable clause. The term of the insurance shall also be reasonable in relation to the value of the security and shall not exceed the term of the loan.~~ The restrictions contained in this subdivision shall not apply to the sale or provision of homeowner's insurance as defined in section 65A.27. In all cases when insurance is offered the obligor shall be informed that the obligor has the option of providing insurance through existing policies of insurance that the obligor owns or controls, or by procuring and furnishing the offered coverage through any insurer authorized to transact an insurance business within this state. The purchase of such insurance through the licensee or from an agent, broker, or insurer specified by the licensee shall not be required."

Page 14, line 35, after "9" insert "and 11"

Renumber the remaining sections

Amend the title as follows:

Page 1, line 2, after the semicolon insert "financial institutions; regulating dividends on claims in liquidation proceedings;"

Page 1, line 13, before the period insert "amending Minnesota Statutes 1988, section 56.155, subdivision 2, as amended"

The motion prevailed and the amendment was adopted.

Dawkins moved to amend S. F. No. 1123, as amended, as follows:

Page 12, after line 9, insert:

"Sec. 9. Minnesota Statutes 1988, section 56.155, subdivision 1, is amended to read:

Subdivision 1. [AUTHORIZATION.] No licensee shall, directly or indirectly, sell or offer for sale any insurance in connection with any loan made under this chapter except as and to the extent authorized by this section. The sale of credit life and credit accident and health insurance is subject to the provisions of chapter 62B, except that the term of the insurance may exceed 60 months if the term of the loan exceeds 60 months. Credit life, credit accident and health insurance, or any of them, may be written upon or in connection with any loan but must not be required as additional security for the indebtedness. If the debtor chooses to procure credit life insurance or credit accident and health insurance as security for the indebtedness, the debtor shall have the option of furnishing this security through existing policies of insurance that the debtor owns or controls, or of furnishing the coverage through any insurer authorized to transact business in this state. A statement in substantially the following form must be made orally and provided in writing in bold face type of a minimum size of 12 points to the borrower before the transaction is completed for each credit life and accident and health insurance coverage sold:

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

The licensee shall disclose whether or not the benefits commence as of the first day of disability and shall further disclose the number of days that an insured obligor must be disabled, as defined in the policy, before benefits, whether retroactive or nonretroactive, commence. In case there are multiple obligors under a transaction subject to this chapter, no policy or certificate of insurance providing credit accident and health benefits may be procured by or through a licensee upon more than one of the obligors. In case there are multiple obligors under a transaction subject to this chapter, no policy or certificate of insurance providing credit life insurance may be procured by or through a licensee upon more than two of the obligors in which case they shall be insured jointly. The premium or identifiable charge for the insurance must not exceed that filed by

the insurer with the department of commerce. The charge, computed at the time the loan is made for a period not to exceed the full term of the loan contract on an amount not to exceed the total amount required to pay principal and charges, may be deducted from the proceeds or may be included as part of the principal of any loan. If a borrower procures insurance by or through a licensee, the statement required by section 56.14 must disclose the cost to the borrower and the type of insurance, and the licensee shall cause to be delivered to the borrower a copy of the policy, certificate, or other evidence thereof, within a reasonable time. No licensee shall decline new or existing insurance which meets the standards set out in this section nor prevent any obligor from obtaining this insurance coverage from other sources. Notwithstanding any other provision of this chapter, any gain or advantage to the licensee or to any employee, affiliate, or associate of the licensee from this insurance or the sale or provision thereof is not an additional or further charge in connection with the loan; nor are any of the provisions pertaining to insurance contained in this section prohibited by any other provision of this chapter."

Renumber sections in sequence

Correct internal references

Amend the title accordingly

The motion prevailed and the amendment was adopted.

Dawkins moved to amend S. F. No. 1123, as amended, as follows:

Page 12, delete section 9

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

Dawkins moved to amend S. F. No. 1123, as amended, as follows:

Page 14, after line 33, insert:

"Sec. 10. Minnesota Statutes 1988, section 56.18, is amended to read:

56.18 [UNLICENSED PERSONS NOT TO MAKE LOANS PROHIBITION AGAINST UNLAWFUL INTEREST.]

No person, including a licensee, except as authorized in this chapter, shall, directly or indirectly, charge, contract for, or receive any interest, discount, or consideration greater than the lender would be permitted by law to charge if that person were not authorized hereunder upon the loan, use, or forbearance of money,

goods, or things in action, or upon the loan, use, or sale of credit of the amount regulated by this chapter.

The foregoing prohibition shall apply to any person who, by any device, subterfuge, or pretense, shall charge, contract for, or receive greater interest, consideration, or charges than is authorized by this chapter for any such loan, use or forbearance of money, goods, or things in action, or for any such loan, use or sale of credit.

No loan made by a person not authorized hereunder in an amount regulated by this chapter for which a greater rate of interest, consideration, or charges than is permitted by the laws of this state has been charged, contracted for, or received, wherever made, shall be enforced by a licensee in this state, and every person in anywise participating therein in this state shall be subject to the provisions of this chapter, provided, that the foregoing shall not apply to loans legally made in another state."

Renumber the remaining section in sequence

Correct internal cross-references

Amend the title accordingly

A roll call was requested and properly seconded.

The question was taken on the Dawkins amendment and the roll was called. There were 113 yeas and 8 nays as follows:

Those who voted in the affirmative were:

Abrams	Greenfield	Krueger	Omamm	Sarna
Battaglia	Gruenes	Lasley	Onnen	Schafer
Bauerly	Hartle	Lieder	Orenstein	Scheid
Beard	Hasskamp	Limmer	Osthoff	Segal
Begich	Haukoos	Lynch	Ostrom	Simoneau
Bennett	Heap	Macklin	Otis	Skoglund
Bertram	Henry	Marsh	Ozment	Solberg
Bishop	Himle	McDonald	Pappas	Sparby
Blatz	Jacobs	McEachern	Pauly	Stanius
Boo	Janezich	McGuire	Pellow	Steenasma
Brown	Jaros	McLaughlin	Pelowski	Tjornhom
Burger	Jefferson	McPherson	Peterson	Tompkins
Carlson, D.	Jennings	Milbert	Poppenhagen	Trimble
Carlson, L.	Johnson, A.	Morrison	Price	Tunheim
Carruthers	Johnson, R.	Munger	Pugh	Valento
Clark	Johnson, V.	Murphy	Quinn	Wagenius
Conway	Kahn	Nelson, C.	Redalen	Welle
Cooper	Kalis	Neuenschwander	Reding	Wenzel
Dauner	Kelly	O'Connor	Rest	Williams
Dawkins	Kelso	Ogren	Richter	Winter
Dorn	Kinkel	Olsen, S.	Rodosovich	Spk. Vanasek
Frederick	Knickerbocker	Olson, E.	Rukavina	
Girard	Kostohryz	Olson, K.	Runbeck	

Those who voted in the negative were:

Dempsey
ForsytheFrerichs
HugosonMiller
SeabergWaltman
Weaver

The motion prevailed and the amendment was adopted.

Scheid moved to amend S. F. No. 1123, as amended, as follows:

Page 1, after line 14, insert:

"Section 1. Minnesota Statutes 1988, section 48.61, is amended by adding a subdivision to read:

Subd. 7. [PARITY WITH NATIONAL BANKS.] A state bank or trust company may invest in any securities that are authorized investments for national banks on the effective date of this section, subject to the same restrictions as apply to national banks. The commissioner may authorize a state bank or trust company to invest in any securities that become authorized investments for national banks after the effective date of this section, subject to the same restrictions as apply to national banks. This authority is in addition to the investment authority granted to state banks under other provisions of state law."

Page 14, after line 33, insert:

"Sec. 11. Minnesota Statutes 1988, section 514.19, is amended to read:

514.19 [RIGHT OF DETAINER.]

Subdivision 1. [CREATED.] A lien and right of detainer exists for:

(1) Transporting property from one place to another but not as a carrier under article 7 of the Uniform Commercial Code;

(2) Keeping or storing property as a bailee but not as a warehouse operator under article 7 of the Uniform Commercial Code;

(3) Keeping, feeding, pasturing, or otherwise caring for domestic animals or other beasts, including medical or surgical treatment and shoeing;

(4) The use and storage of molds and patterns in the possession of the fabricator belonging to the customer for the balance due from the customer for fabrication work;

(5) Making, altering or repairing any article, or expending any labor, skill or material on it.

The liens embrace all lawful charges against the property paid to any other person by the person claiming the lien, and the price or value of the care, storage or contribution and all reasonable disbursements occasioned by the detention or sale of the property.

Subd. 2. [STORAGE LIEN NOTICE.] The lien and right of detainer for keeping or storing property under subdivision 1, clause (2), is not enforceable against a person with a perfected security interest in the property, unless written notice is given to the secured party within ten days after the lien attaches."

Page 14, line 35, delete "9" and insert "11"

Renumber the sections in sequence

Amend the title, as amended by the Scheid amendment, as follows:

Page 15, line 11, after "sections" insert "48.61, by adding a subdivision;"

Page 15, line 13, delete "580.03" and insert "514.19"

The motion prevailed and the amendment was adopted.

S. F. No. 1123, A bill for an act relating to commerce; authorizing certain investments by state banks; regulating lending practices of industrial loan and thrifts; prescribing the qualifications of the directors of certain companies; regulating the lending practices of regulated lenders; regulating delinquency and collection charges on retail installment contracts; requiring notice to perfect certain storage liens; amending Minnesota Statutes 1988, sections 48.61, by adding a subdivision; 53.04, by adding a subdivision; 53.06; 56.12; 168.71; and 514.19.

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 61 yeas and 65 nays as follows:

Those who voted in the affirmative were:

Abrams	Frederick	Himle	Lieder	Miller
Bauerly	Frerichs	Hugoson	Limmer	Morrison
Bennett	Girard	Jennings	Lynch	Neuenschwander
Bertram	Gutknecht	Johnson, V.	Macklin	Olsen, S.
Boo	Hartle	Kalis	Marsh	Olson, E.
Burger	Haukoos	Kelso	McDonald	Omann
Dempsey	Heap	Kinkel	McGuire	Osthoff
Forsythe	Henry	Knickerbocker	McPherson	Ozment

Pauly	Redalen	Schreiber	Tjornhom	Wynia
Pellow	Richter	Seaberg	Tunheim	
Pelowski	Runbeck	Segal	Valento	
Poppenhagen	Schafer	Stanius	Waltman	
Pugh	Scheid	Swiggum	Weaver	

Those who voted in the negative were:

Battaglia	Dille	Krueger	Orenstein	Simoneau
Beard	Greenfield	Lasley	Ostrom	Skoglund
Begich	Gruenes	Long	Otis	Solberg
Blatz	Hasskamp	McEachern	Pappas	Sparby
Brown	Jacobs	McLaughlin	Peterson	Steensma
Carlson, D.	Janezich	Milbert	Price	Tompkins
Carlson, L.	Jaros	Munger	Quinn	Trimble
Carruthers	Jefferson	Murphy	Reding	Wagenius
Clark	Johnson, A.	Nelson, C.	Rest	Welle
Conway	Johnson, R.	O'Connor	Rice	Wenzel
Cooper	Kahn	Ogren	Rodosovich	Williams
Dauner	Kelly	Olson, K.	Rukavina	Winter
Dawkins	Kostohryz	Onnen	Sarna	Spk. Vanasek

The bill was not passed, as amended.

S. F. No. 738 was reported to the House.

Olson, E., moved that S. F. No. 738 be temporarily laid over on Special Orders. The motion prevailed.

H. F. No. 404 was reported to the House.

Johnson, R., moved that H. F. No. 404 be continued on Special Orders. The motion prevailed.

The Speaker resumed the Chair.

H. F. No. 723, A bill for an act relating to veterans; providing for establishment of a veterans home in Luverne; requiring a study; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 198.

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

The question was taken on the passage of the bill and the roll was called. There were 120 yeas and 6 nays as follows:

Those who voted in the affirmative were:

Abrams	Bauerly	Bennett	Brown	Carlson, L.
Anderson, G.	Beard	Bertram	Burger	Carruthers
Battaglia	Begich	Boo	Carlson, D.	Clark

Conway	Johnson, V.	Miller	Pellow	Simoneau
Cooper	Kahn	Morrison	Pelowski	Skoglund
Dauner	Kalis	Munger	Peterson	Solberg
Dawkins	Kelly	Murphy	Poppenhagen	Sparby
Dille	Kelso	Nelson, C.	Price	Stanisus
Dorn	Kinkel	Nelson, K.	Pugh	Steensma
Forsythe	Knickerbocker	Neuenschwander	Quinn	Sviggum
Frederick	Kostohryz	O'Connor	Redalen	Tjornhom
Girard	Krueger	Ogren	Reding	Tompkins
Greenfield	Lasley	Olsen, S.	Rest	Trimble
Gutknecht	Lieder	Olsen, E.	Rice	Tunheim
Hartle	Limmer	Olson, K.	Richter	Valento
Hasskamp	Long	Omann	Rodosovich	Vellenga
Haukoos	Macklin	Onnen	Rukavina	Wagenius
Heap	Marsh	Orenstein	Runbeck	Waltman
Hugoson	McDonald	Osthoff	Sarna	Weaver
Jacobs	McEachern	Ostrom	Schafer	Welle
Janezich	McGuire	Otis	Scheid	Wenzel
Jaros	McLaughlin	Ozment	Schreiber	Winter
Johnson, A.	McPherson	Pappas	Seaberg	Wynia
Johnson, R.	Milbert	Pauly	Segal	Spk. Vanasek

Those who voted in the negative were:

Blatz	Gruenes	Himle
Frerichs	Henry	Lynch

The bill was passed and its title agreed to.

Rodosovich moved that the remaining bills on Special Orders for today be continued. The motion prevailed.

GENERAL ORDERS

Rodosovich moved that the bills on General Orders for today be continued. The motion prevailed.

There being no objection, the order of business reverted to Messages from the Senate.

MESSAGES FROM THE SENATE

The following messages were received from the Senate:

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. 1408, A bill for an act relating to metropolitan transit;

requiring joint planning for light rail transit; establishing a joint planning board; requiring approval of light rail transit plans by the regional transit board; specifying the composition of the regional transit board and the metropolitan transit commission; changing various provisions relating to metropolitan transit programs and authorities; amending Minnesota Statutes 1988, sections 398A.04, subdivision 9; 473.169, subdivisions 1, 3, 4, and 5; 473.17; 473.373, subdivisions 1a, 4, 5, and by adding a subdivision; 473.375, subdivisions 8 and 13; and 473.404, subdivisions 2, 3, and 5; proposing coding for new law in Minnesota Statutes, chapter 473; repealing Minnesota Statutes 1988, sections 473.1691 and 473.398.

PATRICK E. FLAHAVEN, Secretary of the Senate

Carruthers moved that the House refuse to concur in the Senate amendments to H. F. No. 1408, that the Speaker appoint a Conference Committee of 3 members of the House, and that the House requests that a like committee be appointed by the Senate to confer on the disagreeing votes of the two houses. The motion prevailed.

ANNOUNCEMENT BY THE SPEAKER

The Speaker announced the appointment of the following members of the House to a Conference Committee on H. F. No. 1408:

Carruthers, McLaughlin and Valento.

MESSAGES FROM THE SENATE, Continued

Mr. Speaker:

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

H. F. No. 341, A bill for an act relating to public safety; proposing the emergency planning and community right-to-know act; requiring reports on hazardous substances and chemicals; creating an emergency response commission; providing penalties; amending Minnesota Statutes 1988, section 609.671, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapter 299F.

The Senate has appointed as such committee:

Messrs. Merriam, Stumpf and Frederickson, D. R.

Said House File is herewith returned to the House.

PATRICK E. FLAHAVEN, Secretary of the Senate

Mr. Speaker:

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

H. F. No. 796, A bill for an act relating to state lands; authorizing sale of certain tax-forfeited lands that border public waters in Pine and Fillmore counties.

The Senate has appointed as such committee:

Messrs. Chmielewski, Schmitz and Gustafson.

Said House File is herewith returned to the House.

PATRICK E. FLAHAVEN, Secretary of the Senate

Mr. Speaker:

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

H. F. No. 1155, A bill for an act relating to insurance; life and health; regulating policy and contract provisions, coverages, certain cost-containment mechanisms, cancellations and nonrenewals, trade and marketing practices, and remedies in these and other lines; making technical changes; amending Minnesota Statutes 1988, sections 45.025, subdivision 8; 45.027, subdivision 7; 45.028, subdivision 1; 61A.011, subdivision 1; 61A.092, subdivision 3; 61B.03, subdivision 6; 62A.01; 62A.041; 62A.08; 62A.09; 62A.15, subdivision 3a; 62A.17, subdivision 2; 62A.46, by adding a subdivision; 62A.48, subdivision 1; 62B.01; 62B.04, subdivision 1; 62D.12, by adding a subdivision; 62E.06, subdivision 1; 72A.20, subdivision 15, and by adding subdivisions; 72A.325; and 149.11; proposing coding for new law in Minnesota Statutes, chapters 60A; 62A; 65A; and 72A; repealing Minnesota Statutes 1988, sections 60A.23, subdivision 7; and 72A.13, subdivision 2.

The Senate has appointed as such committee:

Ms. Peterson, D. C.; Messrs. Solon and Laidig.

Said House File is herewith returned to the House.

PATRICK E. FLAHAVEN, Secretary of the Senate

Mr. Speaker:

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

H. F. No. 193, A bill for an act relating to crimes; providing that an offender may not demand execution of sentence except under certain circumstances; requiring the board of pardons to meet at least twice each year; amending Minnesota Statutes 1988, sections 609.135, by adding a subdivision; and 638.04.

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

PATRICK E. FLAHAVEN, Secretary of the Senate

Mr. Speaker:

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

H. F. No. 300, A bill for an act relating to occupational safety and health; increasing certain penalties; proposing changes to the employee right-to-know act of 1984; amending Minnesota Statutes 1988, sections 182.651, subdivisions 7, 14, 15, and by adding a subdivision; and 182.653, subdivisions 4b, 4c, and 4f; repealing Minnesota Statutes 1988, section 182.651, subdivision 16.

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

PATRICK E. FLAHAVEN, Secretary of the Senate

Mr. Speaker:

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

H. F. No. 412, A bill for an act relating to education; changing the definitions of teachers and of supervisory and support personnel for the purpose of licensure; changing the kinds of personnel licensed by the board of teaching and the state board of education; changing the composition of the board of teaching; providing for teacher performance effectiveness plans; amending Minnesota Statutes 1988, sections 125.03, subdivisions 1 and 4; 125.05, subdivisions 1 and 2; 125.08; and 125.183, subdivisions 1 and 3; proposing coding for new law in Minnesota Statutes, chapter 125.

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

PATRICK E. FLAHAVEN, Secretary of the Senate

Mr. Speaker:

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

H. F. No. 472, A bill for an act relating to transportation; motor carriers; increasing maximum length of certain semitrailers; defining mobile cranes and providing for their maximum length; requiring a highway cost allocation study; amending Minnesota Statutes 1988, sections 169.01, by adding a subdivision; 169.81, subdivision 2; and 169.86, subdivision 5.

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

PATRICK E. FLAHAVEN, Secretary of the Senate

Mr. Speaker:

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

H. F. No. 489, A bill for an act relating to employment; regulating fair share fees, unfair labor practices, arbitration procedures and grievance procedures; amending Minnesota Statutes 1988, sections 179.02, by adding a subdivision; 179A.03, subdivision 7; 179A.05, subdivision 6; 179A.06, subdivision 3; 179A.13, subdivision 1; 179A.14, subdivision 1; 179A.16, subdivisions 1, 2, 3, and 4; and 179A.20, subdivision 4.

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

PATRICK E. FLAHAVEN, Secretary of the Senate

Mr. Speaker:

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

H. F. No. 729, A bill for an act relating to marriage dissolution; requiring courts to consider the existence of domestic abuse in

determining whether to award joint custody; providing for the appointment of visitation expeditors to resolve ongoing visitation disputes; providing for visitation by persons who have resided with a child; providing that either parent may request visitation rights on behalf of the child; requiring the court to restrict or modify visitation under certain circumstances; permitting agreements about modification of maintenance; amending Minnesota Statutes 1988, sections 257.022, by adding a subdivision; 518.17, subdivision 2; 518.175, subdivisions 1 and 5; 518.552, by adding a subdivision; and 518.58, subdivision 1; proposing coding for new law in Minnesota Statutes, chapter 518.

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

PATRICK E. FLAHAVEN, Secretary of the Senate

Mr. Speaker:

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

H. F. No. 1506, A bill for an act relating to commerce; regulating certain rentals of real property, membership camping practices, and subdivided land sales; amending Minnesota Statutes 1988, sections 82A.02, by adding a subdivision; 82A.04, subdivision 2; 82A.13, subdivision 2; 83.20, by adding a subdivision; and 83.30, subdivision 1.

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

PATRICK E. FLAHAVEN, Secretary of the Senate

ADJOURNMENT

Rodosovich moved that when the House adjourns today it adjourn until 12:00 noon, Friday, May 19, 1989. The motion prevailed.

Wynia moved that the House adjourn. The motion prevailed, and the Speaker declared the House stands adjourned until 12:00 noon, Friday, May 19, 1989.

EDWARD A. BURDICK, Chief Clerk, House of Representatives

STATE OF MINNESOTA

SEVENTY-SIXTH SESSION—1989

FIFTY-SIXTH DAY

SAINT PAUL, MINNESOTA, FRIDAY, MAY 19, 1989

The House of Representatives convened at 12:00 noon and was called to order by Robert E. Vanasek, Speaker of the House.

Prayer was offered by the Reverend Nancy Brown of Diamond Lake Lutheran Church, Minneapolis, Minnesota.

The roll was called and the following members were present:

Abrams	Frerichs	Krueger	Orenstein	Segal
Anderson, G.	Girard	Lasley	Osthoff	Simoneau
Anderson, R.	Greenfield	Lieder	Ostrom	Skoglund
Battaglia	Gruenes	Limmer	Otis	Solberg
Bauerly	Gutknecht	Long	Ozment	Sparby
Beard	Hartle	Lynch	Pappas	Stanius
Begich	Hasskamp	Macklin	Pauly	Steenasma
Bennett	Haukoos	Marsh	Pellow	Svigum
Bertram	Heap	McDonald	Pelowski	Swenson
Bishop	Henry	McEachern	Peterson	Tjornhom
Blatz	Himle	McGuire	Poppenhagen	Tompkins
Boo	Hugoson	McLaughlin	Price	Trimble
Brown	Jacobs	McPherson	Pugh	Tunheim
Burger	Janezich	Milbert	Quinn	Uphus
Carlson, D.	Jaros	Miller	Redalen	Valento
Carlson, L.	Jefferson	Morrison	Reding	Vellenga
Carruthers	Jennings	Munger	Rest	Wagenius
Clark	Johnson, A.	Murphy	Rice	Waltman
Conway	Johnson, R.	Nelson, C.	Richter	Weaver
Cooper	Johnson, V.	Nelson, K.	Rodosovich	Welle
Dauner	Kahn	O'Connor	Rukavina	Wenzel
Dawkins	Kalis	Ogren	Rumbeck	Williams
Dempsey	Kelly	Olsen, S.	Sarna	Winter
Dille	Kelso	Olson, E.	Schafer	Wynia
Dorn	Kinkel	Olson, K.	Scheid	Spk. Vanasek
Forsythe	Knickerbocker	Omman	Schreiber	
Frederick	Kostohryz	Onnen	Seaberg	

A quorum was present.

Neuenschwander was excused.

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

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

REPORTS OF CHIEF CLERK

Pursuant to Rules of the House, printed copies of H. F. No. 417 and S. F. Nos. 143, 491, 659, 895, 1377, 188, 1242, 1582, 1, 462, 542, 756, 1087 and 1122 have been placed in the members' files.

S. F. No. 143 and H. F. No. 777, which had been referred to the Chief Clerk for comparison, were examined and found to be identical with certain exceptions.

SUSPENSION OF RULES

Cooper moved that the rules be so far suspended that S. F. No. 143 be substituted for H. F. No. 777 and that the House File be indefinitely postponed. The motion prevailed.

S. F. No. 462 and H. F. No. 515, which had been referred to the Chief Clerk for comparison, were examined and found to be identical with certain exceptions.

SUSPENSION OF RULES

Bishop moved that the rules be so far suspended that S. F. No. 462 be substituted for H. F. No. 515 and that the House File be indefinitely postponed. The motion prevailed.

S. F. No. 542 and H. F. No. 1023, which had been referred to the Chief Clerk for comparison, were examined and found to be identical with certain exceptions.

SUSPENSION OF RULES

Winter moved that the rules be so far suspended that S. F. No. 542 be substituted for H. F. No. 1023 and that the House File be indefinitely postponed. The motion prevailed.

S. F. No. 659 and H. F. No. 683, which had been referred to the Chief Clerk for comparison, were examined and found to be identical with certain exceptions.

SUSPENSION OF RULES

Lasley moved that the rules be so far suspended that S. F. No. 659 be substituted for H. F. No. 633 and that the House File be indefinitely postponed. The motion prevailed.

S. F. No. 895 and H. F. No. 960, which had been referred to the Chief Clerk for comparison, were examined and found to be identical with certain exceptions.

SUSPENSION OF RULES

Munger moved that the rules be so far suspended that S. F. No. 895 be substituted for H. F. No. 960 and that the House File be indefinitely postponed. The motion prevailed.

S. F. No. 1582 and H. F. No. 1726, which had been referred to the Chief Clerk for comparison, were examined and found to be identical with certain exceptions.

SUSPENSION OF RULES

Rest moved that the rules be so far suspended that S. F. No. 1582 be substituted for H. F. No. 1726 and that the House File be indefinitely postponed. The motion prevailed.

S. F. No. 491 and H. F. No. 150, which had been referred to the Chief Clerk for comparison, were examined and found to be identical with certain exceptions.

SUSPENSION OF RULES

Ogren moved that the rules be so far suspended that S. F. No. 491 be substituted for H. F. No. 150 and that the House File be indefinitely postponed. The motion prevailed.

PETITIONS AND COMMUNICATIONS

The following communications were received:

STATE OF MINNESOTA
OFFICE OF THE GOVERNOR
SAINT PAUL 55155

May 9, 1989

The Honorable Robert E. Vanasek
Speaker of the House of Representatives
The State of Minnesota

Dear Sir:

I have the honor of informing you that I have received, approved, signed and deposited in the Office of the Secretary of State the following House Files:

H. F. No. 989, relating to trade practices; providing for payment to farm implement retailer by the manufacturer, wholesaler, or distributor who repurchases stock and inventory.

H. F. No. 1517, relating to local government; authorizing the city of St. Louis Park to change the name of the housing and redevelopment authority; permitting the recording of certain deeds.

H. F. No. 1440, relating to local government; requiring political subdivisions to request proposals for group insurance coverage.

H. F. No. 438, relating to courts; specifying the income standard for proceeding in forma pauperis.

H. F. No. 1069, relating to real property; providing that purchaser's right to cancel applies to condominiums created before August 1, 1980; providing that lien on real estate added in expansion of flexible condominiums does not affect existing condominiums.

H. F. No. 770, relating to state lands; directing conveyance of a certain tract in Beltrami county.

H. F. No. 655, relating to state lands; authorizing sale of certain tax-forfeited lands that border public waters in Anoka county.

H. F. No. 930, relating to wild animals; removing authority to offer a bounty on rattlesnakes.

H. F. No. 1389, relating to Goodhue county; permitting the county to establish certain payment procedures.

H. F. No. 1131, relating to Olmsted county; authorizing certain appropriations for economic and agricultural development.

H. F. No. 1405, relating to liquor; requiring notice and hearing before liquor license fees are increased.

H. F. No. 1352, relating to intoxicating liquor; authorizing the city of Blaine to issue one additional on-sale license.

H. F. No. 1048, relating to vocational rehabilitation; requiring

that 51 percent of the members of the board of directors of centers for independent living are persons with disabilities; changing the membership of the Minnesota council for the blind.

H. F. No. 1416, relating to state lands; authorizing private conveyance of certain tax-forfeited land in Benton county.

H. F. No. 1459, relating to handicapped persons; permitting training of guide dogs in public accommodations.

H. F. No. 765, relating to the Western Lake Superior Sanitary District; authorizing the district to issue refunding obligations without redemption of outstanding obligations prior to maturity.

H. F. No. 1357, relating to taxation; liquor; changing the time limit for certain claims for refund.

H. F. No. 1498, relating to telecommunications devices for communication-impaired people; requiring the metropolitan airports commission and certain bus stations to provide telecommunications devices for communication-impaired people.

Sincerely,

RUDY PERPICH
Governor

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

The Honorable Robert E. Vanasek
Speaker of the House of Representatives

The Honorable Jerome M. Hughes
President of the Senate

I have the honor to inform you that the following enrolled Acts of the 1989 Session of the State Legislature have been received from the Office of the Governor and are deposited in the Office of the Secretary of State for preservation, pursuant to the State Constitution, Article IV, Section 23:

S.F. No.	H.F. No.	Session Laws Chapter No.	Time and	
			Date Approved 1989	Date Filed 1989
	989	76	13:30-May 9	May 9
	1517	80	13:33-May 9	May 9
628		83	13:34-May 9	May 9
1082		87	13:32-May 9	May 9
	1440	90	18:00-May 9	May 9
	438	94	13:34-May 9	May 9
695		97	18:10-May 9	May 9
	1069	98	18:12-May 9	May 9
	770	99	18:14-May 9	May 9
	655	100	18:16-May 9	May 9
	930	101	18:06-May 9	May 9
	1389	102	18:17-May 9	May 9
	1131	103	18:01-May 9	May 9
	1405	104	18:18-May 9	May 9
	1352	105	18:20-May 9	May 9
	1048	106	18:02-May 9	May 9
	1416	107	18:21-May 9	May 9
	1459	108	18:22-May 9	May 9
	765	109	18:23-May 9	May 9
	1357	110	18:24-May 9	May 9
	1498	111	18:14-May 9	May 9

Sincerely,

JOAN ANDERSON GROWE
Secretary of State

STATE OF MINNESOTA
OFFICE OF THE GOVERNOR
SAINT PAUL 55155

May 10, 1989

The Honorable Robert E. Vanasek
Speaker of the House of Representatives
The State of Minnesota

Dear Sir:

I have the honor of informing you that I have received, approved, signed and deposited in the Office of the Secretary of State the following House Files:

H. F. No. 1387, relating to education; prohibiting certain punishment in schools.

H. F. No. 1589, relating to the city of Minneapolis; giving the city certain powers pertaining to the delivery of energy and environmental services; providing for combined hearings on improvements and assessments.

Sincerely,

RUDY PERPICH
Governor

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

The Honorable Robert E. Vanasek
Speaker of the House of Representatives

The Honorable Jerome M. Hughes
President of the Senate

I have the honor to inform you that the following enrolled Acts of the 1989 Session of the State Legislature have been received from the Office of the Governor and are deposited in the Office of the Secretary of State for preservation, pursuant to the State Constitution, Article IV, Section 23:

<i>S.F. No.</i>	<i>H.F. No.</i>	<i>Session Laws Chapter No.</i>	<i>Time and Date Approved 1989</i>	<i>Date Filed 1989</i>
321		112	10:30-May 10	May 10
493		113	10:31-May 10	May 10
	1387	114	10:34-May 10	May 10
	1589	115	10:33-May 10	May 10

Sincerely,

JOAN ANDERSON GROWE
Secretary of State

STATE OF MINNESOTA
OFFICE OF THE GOVERNOR
SAINT PAUL 55155

May 15, 1989

The Honorable Robert E. Vanasek
Speaker of the House of Representatives
The State of Minnesota

Dear Sir:

I have the honor of informing you that I have received, approved, signed and deposited in the Office of the Secretary of State the following House Files:

H. F. No. 545, relating to natural resources; providing for the disposal of certain low-grade state-owned iron-bearing materials for construction or maintenance purposes.

H. F. No. 97, relating to crimes; requiring the court to order the preparation of a presentence investigation report in gross misdemeanor cases when requested by the prosecutor.

H. F. No. 627, relating to motor carriers; exempting rear-end dump trucks operated by private agricultural carriers between point of production and point of processing from requirements for rear-end protection.

Sincerely,

RUDY PERPICH
Governor

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

The Honorable Robert E. Vanasek
Speaker of the House of Representatives

The Honorable Jerome M. Hughes
President of the Senate

I have the honor to inform you that the following enrolled Acts of the 1989 Session of the State Legislature have been received from the Office of the Governor and are deposited in the Office of the

Secretary of State for preservation, pursuant to the State Constitution, Article IV, Section 23:

<i>S.F.</i>	<i>H.F.</i>	<i>Session Laws</i>	<i>Time and</i>	<i>Date Filed</i>
<i>No.</i>	<i>No.</i>	<i>Chapter No.</i>	<i>Date Approved</i>	<i>1989</i>
	545	116	9:50-May 15	May 15
	97	117	9:52-May 15	May 15
	627	118	9:53-May 15	May 15
827		119	9:54-May 15	May 15
858		120	9:56-May 15	May 15
1258		121	9:58-May 15	May 15

Sincerely,

JOAN ANDERSON GROWE
Secretary of State

STATE OF MINNESOTA
OFFICE OF THE GOVERNOR
SAINT PAUL 55155

May 15, 1989

The Honorable Robert E. Vanasek
Speaker of the House of Representatives
The State of Minnesota

Dear Sir:

I have the honor of informing you that I have received, approved, signed and deposited in the Office of the Secretary of State the following House Files:

H. F. No. 593, relating to occupations and professions; allowing the board of electricity to issue citations for electrical violations.

H. F. No. 635, relating to credit unions; providing members with written notice regarding proposed bylaw amendments; clarifying requirements for credit unions to maintain reserve funds; allowing private insurance of member share and deposit accounts.

H. F. No. 955, relating to financial institutions; providing standards for determining transaction account service charges; permitting state banks to establish subsidiaries under certain circumstances; authorizing the commissioner to adopt rules regard-

ing activities of banks and bank subsidiaries; permitting banks to perform clerical services at off-premises data processing and storage centers.

H. F. No. 279, relating to local government; permitting bank letters of credit in lieu of bonds in certain public work projects.

H. F. No. 774, relating to agriculture; changing voting rights in certain cooperative associations.

H. F. No. 1429, relating to licensure of ambulance services; establishing new standards.

H. F. No. 1492, relating to state parks; special permits for handicapped users.

H. F. No. 707, relating to horse racing; allowing a licensed racetrack to conduct pari-mutuel betting on televised races on days when races are not conducted at the licensed racetrack; allowing the licensed racetrack to commingle pari-mutuel pools with the sending racetrack; allowing a licensed racetrack to transmit telecasts of races it conducts to other racetracks.

Sincerely,

RUDY PERPICH
Governor

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

The Honorable Robert E. Vanasek
Speaker of the House of Representatives

The Honorable Jerome M. Hughes
President of the Senate

I have the honor to inform you that the following enrolled Acts of the 1989 Session of the State Legislature have been received from the Office of the Governor and are deposited in the Office of the Secretary of State for preservation, pursuant to the State Constitution, Article IV, Section 23:

<i>S.F. No.</i>	<i>H.F. No.</i>	<i>Session Laws Chapter No.</i>	<i>Time and Date Approved 1989</i>	<i>Date Filed 1989</i>
847		122	17:36-May 15	May 16
583		123	17:38-May 15	May 16
590		124	17:39-May 15	May 16
	593	126	17:40-May 15	May 16
	635	127	17:57-May 15	May 16
	955	129	17:58-May 15	May 16
886		130	17:41-May 15	May 16
281		131	17:43-May 15	May 16
	279	132	18:00-May 15	May 16
	774	133	17:45-May 15	May 16
	1429	134	17:55-May 15	May 16
	1492	137	17:48-May 15	May 16
	707	141	17:50-May 15	May 16

Sincerely,

JOAN ANDERSON GROWE
Secretary of State

STATE OF MINNESOTA
OFFICE OF THE GOVERNOR
SAINT PAUL 55155

May 16, 1989

The Honorable Robert E. Vanasek
Speaker of the House of Representatives
The State of Minnesota

Dear Sir:

I have the honor of informing you that I have received, approved, signed and deposited in the Office of the Secretary of State the following House Files:

H. F. No. 812, relating to insurance; life; allowing insurance policies to contain a rider providing for early payment of benefits.

H. F. No. 1626, relating to state lands; conveying easement for sanitary sewer to city of Cambridge.

H. F. No. 43, relating to state lands; authorizing St. Louis county to sell certain tax-forfeited lands bordering public waters.

Sincerely,

RUDY PERPICH
Governor

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

The Honorable Robert E. Vanasek
Speaker of the House of Representatives

The Honorable Jerome M. Hughes
President of the Senate

I have the honor to inform you that the following enrolled Acts of the 1989 Session of the State Legislature have been received from the Office of the Governor and are deposited in the Office of the Secretary of State for preservation, pursuant to the State Constitution, Article IV, Section 23:

<i>S.F.</i> <i>No.</i>	<i>H.F.</i> <i>No.</i>	<i>Session Laws</i> <i>Chapter No.</i>	<i>Time and</i> <i>Date Approved</i> <i>1989</i>	<i>Date Filed</i> <i>1989</i>
	812	125	16:28-May 16	May 16
	1626	128	16:30-May 16	May 16
	43	135	16:31-May 16	May 16

Sincerely,

JOAN ANDERSON GROWE
Secretary of State

STATE OF MINNESOTA
OFFICE OF THE GOVERNOR
SAINT PAUL 55155

May 16, 1989

The Honorable Robert E. Vanasek
Speaker of the House of Representatives
The State of Minnesota

Dear Sir:

I have the honor of informing you that I have received, approved,

signed and deposited in the Office of the Secretary of State the following House Files:

H. F. No. 804, relating to Chisago county; permitting the cancellation of certain ditch assessments and providing for the allocation of others.

H. F. No. 390, relating to appropriations; requiring recommendations of the legislative advisory commission to be made at a meeting of the commission except in certain circumstances.

H. F. No. 218, relating to motor vehicles; defining terms; including station wagon and certain passenger-carrying vans as passenger automobiles for all purposes; providing for registration of certain vehicles; requiring commissioner of public safety to conduct background study on applicant for school bus endorsement.

H. F. No. 1077, relating to state lands; authorizing conveyance of state land to the city of St. Peter.

H. F. No. 1411, relating to cooperatives; recodifying and clarifying certain provisions on cooperative businesses; amending certain provisions of cooperative business law; requiring a registered officer or agent for cooperatives; authorizing cooperatives to provide greater approval proportions than provided in statute for certain cooperative actions; providing corporate existence of cooperative begins with filing of articles; authorizing loans to and fiduciary powers with members; specifying how vacancies in unexpired directors' terms may be filled; authorizing the board to rescind membership for member violations; eliminating certain filings with county recorders; eliminating attorney general approval of articles of merger or consolidation; prescribing a fee for filing articles of consolidation; prescribing a procedure for dissolution of cooperatives; deeming certain organized cooperatives to be organized under and subject to this act.

H. F. No. 832, relating to Ramsey county; authorizing the use of certain property for a public library.

H. F. No. 942, relating to metropolitan government; extending the responsibility of the mosquito control district to disease vectoring ticks.

H. F. No. 931, relating to motor vehicles; requiring owner to retain certificate of title, rather than secured party; requiring buyer to

deliver certificate of title to department of public safety; requiring a form for disclosure of the condition of a vehicle's pollution control equipment on the certificate of title; allowing commissioner of public safety to suspend or revoke certificate of title if owner does not surrender it and vehicle is involuntarily transferred.

Sincerely,

RUDY PERPICH
Governor

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

The Honorable Robert E. Vanasek
Speaker of the House of Representatives

The Honorable Jerome M. Hughes
President of the Senate

I have the honor to inform you that the following enrolled Acts of the 1989 Session of the State Legislature have been received from the Office of the Governor and are deposited in the Office of the Secretary of State for preservation, pursuant to the State Constitution, Article IV, Section 23:

<i>S.F.</i> <i>No.</i>	<i>H.F.</i> <i>No.</i>	<i>Session Laws</i> <i>Chapter No.</i>	<i>Time and</i> <i>Date Approved</i> <i>1989</i>	<i>Date Filed</i> <i>1989</i>
	804	138	16:32-May 16	May 17
	390	139	18:22-May 16	May 17
	218	140	18:24-May 16	May 17
	1077	142	16:25-May 16	May 17
	1411	144	18:20-May 16	May 17
	832	145	18:27-May 16	May 17
	942	146	18:28-May 16	May 17
	931	148	18:32-May 16	May 17
1269		149	18:36-May 16	May 17

Sincerely,

JOAN ANDERSON GROWE
Secretary of State

SECOND READING OF SENATE BILLS

S. F. Nos. 143, 462, 542, 659, 895, 1582 and 491 were read for the second time.

**INTRODUCTION AND FIRST READING
OF HOUSE BILLS**

The following House Files were introduced:

Bishop and Welle introduced:

H. F. No. 1776, A bill for an act relating to taxation; sales; reducing the general rate; restricting the exemption for clothing; permitting cities and counties to impose general sales taxes; amending Minnesota Statutes 1988, sections 297A.02, subdivision 1; 297A.25, subdivision 8; and 469.190, subdivision 7; proposing coding for new law in Minnesota Statutes, chapter 477A.

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

Runbeck; Johnson, A.; Pelowski; Pellow and Simoneau introduced:

H. F. No. 1777, A bill for an act relating to manufactured home park rentals; providing for the office of ombudsman; proposing coding for new law in Minnesota Statutes, chapter 327C.

The bill was read for the first time and referred to the Committee on Financial Institutions and Housing.

Poppenhagen introduced:

H. F. No. 1778, A bill for an act relating to insurance; regulating midterm cancellations of commercial property insurance; amending Minnesota Statutes 1988, section 60A.36, by adding a subdivision.

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

Lieder introduced:

H. F. No. 1779, A bill for an act relating to environment; requiring an environmental impact statement for over-the-horizon backscatter central radar receiver systems; prescribing criteria.

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

HOUSE ADVISORIES

The following House Advisories were introduced:

Schafer; Pugh; Begich; Carlson; D., and Redalen introduced:

H. A. No. 16, A proposal to examine liability relating to recreational vehicles on public lands.

The advisory was referred to the Committee on Judiciary.

Skoglund introduced:

H. A. No. 17, A proposal to study the problem of uninsured drivers.

The advisory was referred to the Committee on Insurance.

Welle, Kalis, Seaberg, Lieder and Morrison introduced:

H. A. No. 18, A proposal to study taxation of trucks based on weight and distance.

The advisory was referred to the Committee on Transportation.

Jacobs and Beard introduced:

H. A. No. 19, A proposal to study telephone service deregulation as relating to antitrust law and consumer protection.

The advisory was referred to the Committee on Regulated Industries.

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 File, herewith returned:

H. F. No. 907, A bill for an act relating to public safety; providing for authority to regulate pipelines; imposing penalties; amending Minnesota Statutes 1988, sections 116I.01, subdivision 3; 116I.05;

216D.01, subdivisions 9, 10, and by adding a subdivision; 299F.56, subdivisions 5 and 6a; 299F.57; 299F.59, subdivision 1; 299F.60; 299F.61; 299F.62; 299F.63; 299F.631; 299F.641; 299J.01; 299J.03, subdivision 2; 299J.04; 299J.05; 299J.06, subdivision 2; 299J.08; 299J.10; 299J.11; 299J.12; and 299J.16; proposing coding for new law in Minnesota Statutes, chapter 216D; repealing Minnesota Statutes 1988, section 299J.09.

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. 1697, A bill for an act relating to traffic regulations; prohibiting the towing of motor vehicles for traffic violations for a period of four hours except under certain circumstances; providing a mechanic's lien for those who tow a vehicle at the direction of a law enforcement officer; amending Minnesota Statutes 1988, section 514.18, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapter 169.

PATRICK E. FLAHAVEN, Secretary of the Senate

CONCURRENCE AND REPASSAGE

Carruthers moved that the House concur in the Senate amendments to H. F. No. 1697 and that the bill be repassed as amended by the Senate. The motion prevailed.

H. F. No. 1697, A bill for an act relating to traffic regulations; prohibiting the towing of motor vehicles for traffic violations for a period of four hours except under certain circumstances; providing a mechanic's lien for those who tow a vehicle at the direction of a law enforcement officer; amending Minnesota Statutes 1988, section 514.18, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapter 169.

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

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

Those who voted in the affirmative were:

Abrams	Frederick	Knickerbocker	Omann	Schreiber
Anderson, G.	Frerichs	Kostohryz	Onnen	Seaberg
Anderson, R.	Girard	Krueger	Orenstein	Segal
Battaglia	Greenfield	Lasley	Osthoff	Simoneau
Bauerly	Gruenes	Lieder	Ostrom	Skoglund
Beard	Gutknecht	Limmer	Otis	Solberg
Begich	Hartle	Long	Ozment	Sparby
Bennett	Hasskamp	Lynch	Pauly	Stanisus
Bertram	Haukoos	Macklin	Pellow	Steensma
Bishop	Heap	Marsh	Pelowski	Sviggum
Blatz	Henry	McDonald	Peterson	Swenson
Boo	Himle	McEachern	Poppenhagen	Tjornhom
Brown	Hugoson	McGuire	Price	Tompkins
Burger	Jacobs	McLaughlin	Pugh	Trimble
Carlson, D.	Janezich	McPherson	Quinn	Tunheim
Carlson, L.	Jaros	Milbert	Redalen	Uphus
Carruthers	Jefferson	Miller	Reding	Valento
Clark	Jennings	Morrison	Rest	Vellenga
Conway	Johnson, A.	Munger	Rice	Wagenius
Cooper	Johnson, R.	Murphy	Richter	Waltman
Dauner	Johnson, V.	Nelson, C.	Rodosovich	Weaver
Dawkins	Kahn	Nelson, K.	Rukavina	Welle
Dempsey	Kalis	O'Connor	Runbeck	Wenzel
Dille	Kelly	Ogren	Sarna	Williams
Dorn	Kelso	Olsen, S.	Schafer	Winter
Forsythe	Kinkel	Olson, K.	Scheid	Wynia
				Spk. Vanasek

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

Mr. Speaker:

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

H. F. No. 415, A bill for an act relating to agriculturally derived ethyl alcohol; clarifying eligibility for producer payments; defining terms; amending Minnesota Statutes 1988, section 41A.09, subdivisions 2 and 3.

PATRICK E. FLAHAVEN, Secretary of the Senate

CONCURRENCE AND REPASSAGE

Sviggum moved that the House concur in the Senate amendments to H. F. No. 415 and that the bill be repassed as amended by the Senate. The motion prevailed.

H. F. No. 415, A bill for an act relating to agriculturally derived ethyl alcohol; clarifying eligibility for producer payments; defining terms; amending Minnesota Statutes 1988, section 41A.09, subdivisions 2 and 3.

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

The question was taken on the repassage of the bill and the roll was called. There were 126 yeas and 5 nays as follows:

Those who voted in the affirmative were:

Abrams	Frederick	Kostohryz	Onnen	Seaberg
Anderson, G.	Frerichs	Krueger	Orenstein	Segal
Anderson, R.	Girard	Lasley	Osthoff	Simoneau
Battaglia	Greenfield	Lieder	Ostrom	Skoglund
Bauerly	Gruenes	Limmer	Otis	Solberg
Begich	Gutknecht	Long	Ozment	Sparby
Bennett	Hartle	Lynch	Pauly	Stanius
Bertram	Hasskamp	Macklin	Pellow	Steensma
Bishop	Haukoos	Marsh	Pelowski	Svigum
Blatz	Heap	McDonald	Peterson	Swenson
Boo	Henry	McGuire	Poppenhagen	Tjornhom
Brown	Himle	McLaughlin	Price	Tompkins
Burger	Hugoson	McPherson	Pugh	Trimble
Carlson, D.	Jacobs	Milbert	Quinn	Tunheim
Carlson, L.	Janezich	Miller	Redalen	Uphus
Carruthers	Jaros	Morrison	Reding	Valento
Clark	Jefferson	Munger	Rest	Vellenga
Conway	Jennings	Murphy	Rice	Wagenius
Cooper	Johnson, A.	Nelson, C.	Richter	Waltman
Dauner	Johnson, V.	Nelson, K.	Rodosovich	Weaver
Dawkins	Kalis	Ogren	Rukavina	Welle
Dempsey	Kelly	Olsen, S.	Runbeck	Wenzel
Dille	Kelso	Olson, E.	Schafer	Williams
Dorn	Kinkel	Olson, K.	Scheid	Winter
Forsythe	Knickerbocker	Omann	Schreiber	Wynia
				Spk. Vanasek

Those who voted in the negative were:

Beard	Johnson, R.	McEachern	O'Connor	Sarna
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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. 611, A bill for an act relating to insurance; regulating agent licensing; regulating Medicare supplement plans; modifying required levels of coverages; prescribing penalties; amending Minnesota Statutes 1988, sections 60A.17, subdivision 6c, and by adding a subdivision; 62A.31, subdivisions 1 and 2; 62A.41; 62D.104; 62D.121, subdivision 3; 62D.181, subdivision 4; 62E.07; and 62E.14, subdivision 4; proposing coding for new law in Minnesota Statutes, chapter 62A; repealing Minnesota Statutes 1988, sections 62A.32;

62A.33; 62A.34; 62A.35; and Minnesota Rules, part 2795.0900.

PATRICK E. FLAHAVER, Secretary of the Senate

CONCURRENCE AND REPASSAGE

Skoglund moved that the House concur in the Senate amendments to H. F. No. 611 and that the bill be repassed as amended by the Senate. The motion prevailed.

H. F. No. 611, A bill for an act relating to insurance; regulating agent licensing; regulating Medicare supplement plans; modifying required levels of coverages; amending Minnesota Statutes 1988, sections 60A.17, subdivision 6c, and by adding a subdivision; 62A.31, subdivisions 1 and 2; 62A.41; 62D.104; 62D.121, subdivision 3; 62D.181, subdivision 4; 62E.07; and 62E.14, subdivision 4; proposing coding for new law in Minnesota Statutes, chapter 62A; repealing Minnesota Statutes 1988, sections 62A.32; 62A.33; 62A.34; and 62A.35.

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

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

Those who voted in the affirmative were:

Abrams	Frerichs	Krueger	Orenstein	Segal
Anderson, G.	Girard	Lasley	Osthoff	Simoneau
Anderson, R.	Greenfield	Lieder	Ostrom	Skoglund
Battaglia	Gruenes	Limmer	Otis	Solberg
Bauerly	Gutknecht	Long	Ozment	Sparby
Beard	Hartle	Lynch	Pappas	Stanisus
Begich	Hasskamp	Macklin	Pauly	Steensma
Bennett	Haukoos	Marsh	Pellow	Sviggum
Bertram	Heap	McDonald	Pelowski	Swenson
Bishop	Henry	McEachern	Peterson	Tjornhom
Blatz	Himle	McGuire	Poppenhagen	Tompkins
Boo	Hugoson	McLaughlin	Price	Trimble
Brown	Jacobs	McPherson	Pugh	Tunheim
Burger	Janezich	Milbert	Quinn	Uphus
Carlson, D.	Jaros	Miller	Redalen	Valento
Carlson, L.	Jefferson	Morrison	Reding	Vellenga
Carruthers	Jennings	Munger	Rest	Wagenius
Clark	Johnson, A.	Murphy	Rice	Waltman
Conway	Johnson, R.	Nelson, C.	Richter	Weaver
Cooper	Johnson, V.	Nelson, K.	Rodosovich	Welle
Dauner	Kahn	O'Connor	Rukavina	Wenzel
Dawkins	Kalis	Ogren	Runbeck	Williams
Dempsey	Kelly	Olsen, S.	Sarna	Winter
Dille	Kelso	Olsen, E.	Schafer	Wynia
Dorn	Kinkel	Olson, K.	Scheid	Spk. Vanasek
Forsythe	Knickerbocker	Omann	Schreiber	
Frederick	Kostohryz	Onnen	Seaberg	

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. 450, A bill for an act relating to state lands; authorizing additions and deletions from certain state parks; authorizing non-park use of certain state parks; authorizing sale and conveyance of certain state park lands; authorizing acquisition of certain land for road purposes; repealing Minnesota Statutes 1988, section 85.012, subdivision 39.

PATRICK E. FLAHAVEN, Secretary of the Senate

CONCURRENCE AND REPASSAGE

McGuire moved that the House concur in the Senate amendments to H. F. No. 450 and that the bill be repassed as amended by the Senate. The motion prevailed.

H. F. No. 450, A bill for an act relating to state lands; authorizing additions and deletions from certain state parks; authorizing non-park use of certain state parks; authorizing sale and conveyance of certain state park lands; authorizing acquisition of certain land for road purposes; providing for the establishment of Grand Portage State Park; appropriating money; amending Minnesota Statutes 1988, section 85.012, subdivision 27a, and by adding a subdivision; repealing Minnesota Statutes 1988, section 85.012, subdivision 39.

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

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

Those who voted in the affirmative were:

Abrams	Bishop	Conway	Frerichs	Henry
Anderson, G.	Blatz	Cooper	Girard	Himle
Anderson, R.	Boo	Dauner	Greenfield	Hugoson
Battaglia	Brown	Dawkins	Gruenes	Jacobs
Bauerly	Burger	Dempsey	Gutknecht	Janezich
Beard	Carlson, D.	Dille	Hartle	Jaros
Begich	Carlson, L.	Dorn	Hasskamp	Jefferson
Bennett	Carruthers	Forsythe	Haukoos	Jennings
Bertram	Clark	Frederick	Heap	Johnson, A.

Johnson, R.	McEachern	Orenstein	Rodosovich	Tompkins
Johnson, V.	McGuire	Osthoff	Rukavina	Trimble
Kahn	McLaughlin	Ostrom	Runbeck	Tunheim
Kalis	McPherson	Otis	Sarna	Uphus
Kelly	Milbert	Ozment	Schafer	Valento
Kelso	Miller	Pappas	Scheid	Vellenga
Kinkel	Morrison	Pauly	Schreiber	Wagenius
Knickerbocker	Munger	Pellow	Seaberg	Waltman
Kostohryz	Murphy	Pelowski	Segal	Weaver
Krueger	Nelson, C.	Peterson	Simoneau	Welle
Lasley	Nelson, K.	Poppenhagen	Skoglund	Wenzel
Lieder	O'Connor	Price	Solberg	Williams
Limmer	Ogren	Pugh	Sparby	Winter
Long	Olsen, S.	Redalen	Stanjus	Wynia
Lynch	Olson, E.	Reding	Steensma	Spk. Vanasek
Macklin	Olson, K.	Rest	Sviggum	
Marsh	Omman	Rice	Swenson	
McDonald	Onnen	Richter	Tjornhom	

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. 1283, A bill for an act relating to insurance; property and casualty; regulating policy provisions, forms, nonrenewals, coverages; regulating trade practices in these and other lines; regulating the Minnesota joint underwriting association; making certain technical changes; amending Minnesota Statutes 1988, sections 60A.02, by adding a subdivision; 60A.08, by adding a subdivision; 60A.17, subdivision 6c; 60A.198, subdivision 3; 62I.02, subdivision 2; 62I.16, subdivision 3; 65A.29, subdivision 8, and by adding subdivisions; 65A.33, subdivision 3; 65B.15, subdivision 1; 65B.44, subdivision 3; 65B.525, subdivision 1; 72A.20, subdivision 17, and by adding subdivisions; 72A.201, subdivision 5, and by adding subdivisions; and 79.251, by adding a subdivision; repealing Minnesota Statutes 1988, section 62I.12; and Minnesota Rules, part 2780.2700.

PATRICK E. FLAHAVEN, Secretary of the Senate

CONCURRENCE AND REPASSAGE

Winter moved that the House concur in the Senate amendments to H. F. No. 1283 and that the bill be repassed as amended by the Senate. The motion prevailed.

H. F. No. 1283, A bill for an act relating to insurance; property and casualty; regulating policy provisions, forms, nonrenewals, coverages; regulating trade practices in these and other lines; regulating

the Minnesota joint underwriting association; making certain technical changes; amending Minnesota Statutes 1988, sections 60A.02, by adding a subdivision; 60A.08, subdivision 12, and by adding a subdivision; 60A.09, subdivision 1; 60A.17, subdivision 6c; 60A.198, subdivision 3; 62I.02, subdivision 2; 62I.16, subdivision 3; 65A.29, subdivision 8, and by adding subdivisions; 65A.33, subdivision 3; 65B.15, subdivision 1; 65B.44, subdivision 3; 65B.49, subdivision 5a; 65B.525, subdivision 1; 72A.20, subdivision 17, and by adding subdivisions; 72A.201, subdivision 5, and by adding subdivisions; and 79.251, by adding a subdivision; repealing Minnesota Statutes 1988, section 62I.12; and Minnesota Rules, part 2780.2700.

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

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

Those who voted in the affirmative were:

Abrams	Frerichs	Krueger	Orenstein	Simoneau
Anderson, G.	Girard	Lasley	Osthoff	Skoglund
Anderson, R.	Greenfield	Lieder	Ostrom	Solberg
Battaglia	Gruenes	Limmer	Otis	Sparby
Bauerly	Gutknecht	Long	Ozment	Stanius
Beard	Hartle	Lynch	Pappas	Steensma
Begich	Hasskamp	Macklin	Pauly	Sviggum
Bennett	Haukoos	Marsh	Pellow	Swenson
Bertram	Heap	McDonald	Pelowski	Tjornhom
Bishop	Henry	McEachern	Peterson	Tompkins
Blatz	Himle	McGuire	Poppenhagen	Trimble
Boo	Hugoson	McLaughlin	Price	Tunheim
Brown	Jacobs	McPherson	Quinn	Uphus
Burger	Janezich	Milbert	Redalen	Valento
Carlson, D.	Jaros	Miller	Reding	Vellenga
Carlson, L.	Jefferson	Morrison	Rest	Wagenius
Carruthers	Jennings	Munger	Rice	Waltman
Clark	Johnson, A.	Murphy	Richter	Weaver
Conway	Johnson, R.	Nelson, C.	Rodosovich	Welle
Cooper	Johnson, V.	Nelson, K.	Rukavina	Wenzel
Dauner	Kahn	O'Connor	Runbeck	Williams
Dawkins	Kalis	Ogren	Sarna	Winter
Dempsey	Kelly	Olsen, S.	Schafer	Wynia
Dille	Kelso	Olson, E.	Scheid	Spk. Vanasek
Dorn	Kinkel	Olson, K.	Schreiber	
Forsythe	Knickerbocker	Omann	Seaberg	
Frederick	Kostohryz	Onnen	Segal	

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

Mr. Speaker:

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

S. F. No. 299, A bill for an act relating to game and fish; providing for restitution for wild animals that are illegally killed or injured; providing for civil penalties for wild animals killed or injured; restricting expenditures from restitution to replacement and propagation of wild animals illegally killed or injured; amending Minnesota Statutes 1988, section 97A.065, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapter 97A.

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

Messrs. Merriam, Bernhagen and Berg.

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

PATRICK E. FLAHAVEN, Secretary of the Senate

Rukavina moved that the House accede to the request of the Senate and that the Speaker appoint a Conference Committee of 3 members of the House to meet with a like committee appointed by the Senate on the disagreeing votes of the two houses on S. F. No. 299. The motion prevailed.

ANNOUNCEMENT BY THE SPEAKER

The Speaker announced the appointment of the following members of the House to a Conference Committee on S. F. No. 299:

Rukavina; Carlson, D., and Munger.

The following Conference Committee Reports were received:

CONFERENCE COMMITTEE REPORT ON H. F. NO. 700

A bill for an act relating to crimes; increasing penalties for certain crimes when committed because of the victim's or another's actual or perceived race, color, religion, sex, sexual orientation, disability, age, political affiliation, membership or lack of membership in a labor union, or national origin; increasing penalties for using the mail or making telephone calls and falsely impersonating another person; amending Minnesota Statutes 1988, sections 609.2231, by adding a subdivision; 609.595, subdivisions 2, 3, and by adding a subdivision; 609.605, by adding a subdivision; 609.746, by adding a subdivision; 609.79, by adding a subdivision; and 609.795.

May 16, 1989

The Honorable Robert E. Vanasek
Speaker of the House of Representatives

The Honorable Jerome M. Hughes
President of the Senate

We, the undersigned conferees for H. F. No. 700, report that we have agreed upon the items in dispute and recommend as follows:

That the House concur in the Senate amendment adopted May 1, 1989, and that the Senate recede from the amendment adopted May 5, 1989, and that H. F. No. 700 be further amended as follows:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1988, section 609.2231, is amended by adding a subdivision to read:

Subd. 4. [ASSAULTS MOTIVATED BY BIAS.] (a) Whoever assaults another because of the victim's or another's actual or perceived race, color, religion, sex, sexual orientation, disability as defined in section 363.01, age, or national origin may be sentenced to imprisonment for not more than one year or to payment of a fine of not more than \$3,000, or both.

(b) Whoever violates the provisions of paragraph (a) within five years of a previous conviction under paragraph (a) is guilty of a felony and may be sentenced to imprisonment for not more than one year and a day or to payment of a fine of not more than \$3,000, or both.

Sec. 2. Minnesota Statutes 1988, section 609.595, is amended by adding a subdivision to read:

Subd. 1a. [CRIMINAL DAMAGE TO PROPERTY IN THE SECOND DEGREE.] (a) Whoever intentionally causes damage described in subdivision 2, paragraph (a), because of the property owner's or another's actual or perceived race, color, religion, sex, sexual orientation, disability as defined in section 363.01, age, or national origin is guilty of a felony and may be sentenced to imprisonment for not more than one year and a day or to payment of a fine of not more than \$3,000, or both.

(b) In any prosecution under paragraph (a), the value of property damaged by the defendant in violation of that paragraph within any six-month period may be aggregated and the defendant charged accordingly in applying this section. When two or more offenses are committed by the same person in two or more counties, the accused may be prosecuted in any county in which one of the offenses was committed for all of the offenses aggregated under this paragraph.

Sec. 3. Minnesota Statutes 1988, section 609.595, subdivision 2, is amended to read:

Subd. 2. [CRIMINAL DAMAGE TO PROPERTY IN THE SECOND THIRD DEGREE.] (a) Except as otherwise provided in section 2, whoever intentionally causes damage to another person's physical property without the other person's consent may be sentenced to imprisonment for not more than one year or to payment of a fine of not more than \$3,000, or both, if the damage reduces the value of the property by more than \$250 but not more than \$500 as measured by the cost of repair and replacement.

(b) Whoever intentionally causes damage to another person's physical property without the other person's consent because of the property owner's or another's actual or perceived race, color, religion, sex, sexual orientation, disability as defined in section 363.01, age, or national origin may be sentenced to imprisonment for not more than one year or to payment of a fine of not more than \$3,000, or both, if the damage reduces the value of the property by not more than \$250.

(c) In any prosecution under paragraph (a), the value of property damaged by the defendant in violation of that ~~clause~~ paragraph within any six-month period may be aggregated and the defendant charged accordingly in applying this section. When two or more offenses are committed by the same person in two or more counties, the accused may be prosecuted in any county in which one of the offenses was committed for all of the offenses aggregated under this paragraph.

Sec. 4. Minnesota Statutes 1988, section 609.595, subdivision 3, is amended to read:

Subd. 3. [CRIMINAL DAMAGE TO PROPERTY IN THE THIRD FOURTH DEGREE.] Whoever intentionally causes damage described in subdivision 2 under any other circumstances is guilty of a misdemeanor.

Sec. 5. Minnesota Statutes 1988, section 609.605, is amended by adding a subdivision to read:

Subd. 3. [TRESPASSES MOTIVATED BY BIAS.] Whoever commits an act described in subdivision 1, clause (13), because of the property owner's or another's actual or perceived race, color, religion, sex, sexual orientation, disability as defined in section 363.01, age, or national origin may be sentenced to imprisonment for not more than one year or to payment of a fine of not more than \$3,000, or both.

Sec. 6. Minnesota Statutes 1988, section 609.746, is amended by adding a subdivision to read:

Subd. 3. [INTRUSION ON PRIVACY; AGGRAVATED VIOLATION.] Whoever commits an act described in subdivision 2 because of the victim's or another's actual or perceived race, color, religion, sex, sexual orientation, disability as defined in section 363.01, age, or national origin, may be sentenced to imprisonment for not more than one year or to payment of a fine of not more than \$3,000, or both.

Sec. 7. Minnesota Statutes 1988, section 609.79, is amended by adding a subdivision to read:

Subd. 1a. [OBSCENE OR HARASSING TELEPHONE CALLS; AGGRAVATED VIOLATIONS.] (a) Whoever commits an act described in subdivision 1 because of the victim's or another's actual or perceived race, color, religion, sex, sexual orientation, disability as defined in section 363.01, age, or national origin may be sentenced to imprisonment for not more than one year or to payment of a fine of not more than \$3,000, or both.

(b) Whoever commits an act described in subdivision 1 by falsely impersonating another with intent to harass, abuse, or threaten that person or another, may be sentenced to imprisonment for not more than one year or to payment of a fine of not more than \$3,000, or both.

Sec. 8. Minnesota Statutes 1988, section 609.795, is amended to read:

609.795 [LETTER, TELEGRAM, OR PACKAGE; OPENING; HARASSMENT.]

Subdivision 1. [MISDEMEANORS.] Whoever does any of the following is guilty of a misdemeanor:

(1) knowing that the actor does not have the consent of either the sender or the addressee, intentionally opens any sealed letter, telegram, or package addressed to another; or

(2) knowing that a sealed letter, telegram, or package has been opened without the consent of either the sender or addressee, intentionally publishes any of the contents thereof; or

(3) with the intent to harass, abuse, or threaten, repeatedly uses the mails or delivers letters, telegrams, or packages.

Subd. 2. [GROSS MISDEMEANORS.] (a) Whoever commits an act described in subdivision 1, clause (3), because of the victim's or

another's actual or perceived race, color, religion, sex, sexual orientation, disability as defined in section 363.01, age, or national origin may be sentenced to imprisonment for not more than one year or to payment of a fine of not more than \$3,000, or both.

(b) Whoever commits an act described in subdivision 1, clause (3), by falsely impersonating another with intent to harass, abuse, or threaten that person or another, may be sentenced to imprisonment for not more than one year or to payment of a fine of not more than \$3,000, or both.

Sec. 9. Minnesota Statutes 1988, section 626.5531, subdivision 2, is amended to read:

Subd. 2. [USE OF INFORMATION COLLECTED.] The head of a local law enforcement agency or state law enforcement department that employs peace officers licensed under section 626.843 must file a monthly report describing crimes reported under this section with the department of public safety, bureau of criminal apprehension. The commissioner of public safety must summarize and analyze the information received and file an annual report with the department of human rights and the legislature. The commissioner may include information in the annual report concerning any additional criminal activity motivated by bias that is not covered by this section.

Sec. 10. [EFFECTIVE DATE.]

Sections 1 to 8 are effective August 1, 1989, and apply to crimes committed on or after that date."

Delete the title and insert:

"A bill for an act relating to crimes; increasing penalties for certain crimes when committed because of the victim's or another's actual or perceived race, color, religion, sex, sexual orientation, disability, age, or national origin; increasing penalties for using the mail or making telephone calls and falsely impersonating another for the purpose of harassing, abusing, or threatening another person; authorizing the commissioner of public safety to report on additional bias-motivated criminal activity not covered by the bias crime reporting law; amending Minnesota Statutes 1988, sections 609.2231, by adding a subdivision; 609.595, subdivisions 2, 3, and by adding a subdivision; 609.605, by adding a subdivision; 609.746, by adding a subdivision; 609.79, by adding a subdivision; 609.795; and 626.5531, subdivision 2."

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

House Conferees: LEE GREENFIELD AND RICHARD H. JEFFERSON.

Senate Conferees: LINDA BERGLIN, ALLAN H. SPEAR AND HOWARD A. KNUTSON.

Greenfield moved that the report of the Conference Committee on H. F. No. 700 be adopted and that the bill be repassed as amended by the Conference Committee. The motion prevailed.

H. F. No. 700, A bill for an act relating to crimes; increasing penalties for certain crimes when committed because of the victim's or another's actual or perceived race, color, religion, sex, sexual orientation, disability, age, political affiliation, membership or lack of membership in a labor union, or national origin; increasing penalties for using the mail or making telephone calls and falsely impersonating another for the purpose of harassing, abusing, or threatening another person; amending Minnesota Statutes 1988, sections 609.2231, by adding a subdivision; 609.595, subdivisions 2, 3, and by adding a subdivision; 609.605, by adding a subdivision; 609.746, by adding a subdivision; 609.79, by adding a subdivision; and 609.795.

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 99 yeas and 30 nays as follows:

Those who voted in the affirmative were:

Abrams	Dorn	Kelly	Olson, K.	Sarna
Anderson, G.	Forsythe	Kelso	Orenstein	Seaberg
Anderson, R.	Frederick	Knickerbocker	Ostrom	Segal
Battaglia	Girard	Kostohryz	Otis	Simoneau
Begich	Greenfield	Krueger	Ozment	Skoglund
Bennett	Gruenes	Lasley	Pappas	Solberg
Bishop	Hartle	Lieder	Pauly	Stanius
Boo	Hasskamp	Long	Pellow	Stensma
Brown	Heap	Marsh	Pelowski	Swenson
Burger	Himle	McGuire	Peterson	Trimble
Carlson, D.	Jacobs	McLaughlin	Price	Tunheim
Carlson, L.	Janezich	Morrison	Pugh	Vellenga
Carruthers	Jaros	Munger	Quinn	Wagenius
Clark	Jefferson	Murphy	Redalen	Weaver
Conway	Jennings	Nelson, C.	Reding	Welle
Cooper	Johnson, A.	Nelson, K.	Rest	Williams
Dauner	Johnson, R.	O'Connor	Rice	Winter
Dawkins	Johnson, V.	Ogren	Rodosovich	Wynia
Dempsey	Kahn	Olsen, S.	Rukavina	Spk. Vanasek
Dille	Kalis	Olson, E.	Runbeck	

Those who voted in the negative were:

Bauerly	Frerichs	Hugoson	Macklin	Omann
Beard	Gutknecht	Kinkel	McDonald	Onnen
Bertram	Haukoos	Limmer	McPherson	Poppenhagen
Blatz	Henry	Lynch	Miller	Richter

Schafer
Schreiber

Sparby
Sviggum

Tjornhom
Tompkins

Uphus
Valento

Waltman
Wenzel

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

CONFERENCE COMMITTEE REPORT ON H. F. NO. 1016

A bill for an act relating to juvenile justice; authorizing the juvenile court to place juvenile alcohol or controlled substance offenders on probation; authorizing the juvenile court to require the commissioner of public safety to revoke the driver's license or permit of habitual petty offenders or to deny driving privileges to them if they do not have a license or permit; removing certain limitations on parental liability for thefts by minors; removing a repealer; amending Minnesota Statutes 1988, sections 171.04; 260.195, subdivision 3, and by adding subdivisions; and 332.51, subdivision 3; repealing Laws 1985, chapter 278, section 2.

May 18, 1989

The Honorable Robert E. Vanasek
Speaker of the House of Representatives

The Honorable Jerome M. Hughes
President of the Senate

We, the undersigned conferees for H. F. No. 1016, report that we have agreed upon the items in dispute and recommend as follows:

That the House concur in the Senate amendment adopted pursuant to Rule 49, May 2, 1989, and that H. F. No. 1016 be further amended as follows:

(The text of the amended House File is identical to S. F. No. 1266.)

Page 4, after line 24, insert:

"(c) If the adjudicated petty offender has a driver's license or permit, the court may suspend the driver's license or permit for a period of up to 90 days, but may allow the offender driving privileges as necessary to travel to and from work."

Page 4, line 25, delete "(c)" and insert "(d)"

Page 4, after line 33, insert:

"Sec. 4. Minnesota Statutes 1988, section 332.51, subdivision 3, is amended to read:

Subd. 3. [LIABILITY OF PARENT OR GUARDIAN.] The provisions of Section 540.18 apply applies to this section, except that recovery is not limited to special damages.

Page 4, line 34, delete "4" and insert "5"

Page 5, line 2, delete "5" and insert "6"

Page 5, line 3, delete "3" and insert "4"

Page 5, line 4, after the period, insert "Section 5 is effective the day following final enactment."

Amend the title as follows:

Page 1, line 8, after the semicolon, insert "clarifying parental liability for theft by minors;"

Page 1, line 11, after the semicolon, insert "and 332.51, subdivision 3;"

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

House Conferees: CONNIE MORRISON, RANDY C. KELLY AND THOMAS W. PUGH.

Senate Conferees: RICHARD J. COHEN, ALLAN H. SPEAR AND GARY W. LAIDIG.

Morrison moved that the report of the Conference Committee on H. F. No. 1016 be adopted and that the bill be repassed as amended by the Conference Committee. The motion prevailed.

H. F. No. 1016, A bill for an act relating to juvenile justice; authorizing the juvenile court to place juvenile alcohol or controlled substance offenders on probation; authorizing the juvenile court to require the commissioner of public safety to revoke the driver's license or permit of habitual petty offenders or to deny driving privileges to them if they do not have a license or permit; removing certain limitations on parental liability for thefts by minors; removing a repealer; amending Minnesota Statutes 1988, sections 171.04; 260.195, subdivision 3, and by adding subdivisions; and 332.51, subdivision 3; repealing Laws 1985, chapter 278, section 2.

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

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

Those who voted in the affirmative were:

Abrams	Frerichs	Krueger	Orenstein	Segal
Anderson, G.	Girard	Lasley	Osthoff	Simoneau
Anderson, R.	Greenfield	Lieder	Ostrom	Skoglund
Battaglia	Gruenes	Limmer	Otis	Solberg
Bauerly	Gutknecht	Long	Ozment	Sparby
Beard	Hartle	Lynch	Pappas	Stanius
Begich	Hasskamp	Macklin	Pauly	Steensma
Bennett	Haukoos	Marsh	Pellow	Swiggum
Bertram	Heap	McDonald	Pelowski	Swenson
Bishop	Henry	McEachern	Peterson	Tjornhom
Blatz	Himle	McGuire	Poppenhagen	Tompkins
Boo	Hugoson	McLaughlin	Price	Trimble
Brown	Jacobs	McPherson	Pugh	Tunheim
Burger	Janezich	Milbert	Quinn	Uphus
Carlson, D.	Jaros	Miller	Redalen	Valento
Carlson, L.	Jefferson	Morrison	Reding	Vellenga
Carruthers	Jennings	Munger	Rest	Wagenius
Clark	Johnson, A.	Murphy	Rice	Waltman
Conway	Johnson, R.	Nelson, C.	Richter	Weaver
Cooper	Johnson, V.	Nelson, K.	Rodosovich	Welle
Dauner	Kahn	O'Connor	Rukavina	Wenzel
Dawkins	Kalis	Ogren	Runbeck	Williams
Dempsey	Kelly	Olsen, S.	Sarna	Winter
Dille	Kelso	Olsen, E.	Schafer	Wynia
Dorn	Kinkel	Olsen, K.	Scheid	Spk. Vanasek
Forsythe	Knickerbocker	Omman	Schreiber	
Frederick	Kostohryz	Onnen	Seaberg	

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

CONFERENCE COMMITTEE REPORT ON H. F. NO. 245

A bill for an act relating to environment; exempting generators of small amounts of hazardous waste from administrative regulation; amending Minnesota Statutes 1988, section 116.07, subdivision 2.

May 17, 1989

The Honorable Robert E. Vanasek
Speaker of the House of Representatives

The Honorable Jerome M. Hughes
President of the Senate

We, the undersigned conferees for H. F. No. 245, report that we have agreed upon the items in dispute and recommend as follows:

That the Senate recede from its amendment.

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

House Conferees: LOREN G. JENNINGS, BOB NEUENSCHWANDER AND DENNIS OZMENT.

Senate Conferees: LEROY A. STUMPF AND GREGORY L. DAHL.

Jennings moved that the report of the Conference Committee on H. F. No. 245 be adopted and that the bill be repassed as amended by the Conference Committee. The motion prevailed.

H. F. No. 245, A bill for an act relating to environment; exempting generators of small amounts of hazardous waste from administrative regulation; amending Minnesota Statutes 1988, section 116.07, subdivision 2.

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

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

Those who voted in the affirmative were:

Abrams	Frederick	Knickerbocker	Omam	Schreiber
Anderson, G.	Frerichs	Kostohryz	Onnen	Seaberg
Anderson, R.	Girard	Krueger	Osthoff	Skoglund
Battaglia	Greenfield	Lasley	Ostrom	Solberg
Bauerly	Gruenes	Lieder	Otis	Sparby
Beard	Gutknecht	Limmer	Ozment	Stanius
Begich	Hartle	Long	Pappas	Steensma
Bennett	Hasskamp	Lynch	Pauly	Sviggum
Bertram	Haukoos	Macklin	Pellow	Swenson
Bishop	Heap	Marsh	Pelowski	Tjornhom
Blatz	Henry	McDonald	Peterson	Tompkins
Boo	Himle	McEachern	Poppenhagen	Trimble
Brown	Hugoson	McGuire	Price	Tunheim
Burger	Jacobs	McPherson	Pugh	Uphus
Carlson, D.	Janezich	Milbert	Quinn	Valento
Carlson, L.	Jaros	Miller	Redalen	Vellenga
Carruthers	Jefferson	Morrison	Reding	Wagenius
Clark	Jennings	Munger	Rest	Waltman
Conway	Johnson, A.	Murphy	Rice	Weaver
Cooper	Johnson, R.	Nelson, C.	Richter	Welle
Dauner	Johnson, V.	Nelson, K.	Rodosovich	Wenzel
Dawkins	Kahn	O'Connor	Rukavina	Williams
Dempsey	Kalis	Ogren	Runbeck	Winter
Dille	Kelly	Olsen, S.	Sarna	Wynia
Dorn	Kelso	Olson, E.	Schafer	
Forsythe	Kinkel	Olson, K.	Scheid	

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

CONFERENCE COMMITTEE REPORT ON H. F. NO. 826

A bill for an act relating to the collection and dissemination of data; providing access to private and confidential data related to delinquent acts for law enforcement purposes; amending Minnesota Statutes 1988, sections 13.84, subdivision 5a; and 260.161, subdivision 2.

May 17, 1989

The Honorable Robert E. Vanasek
Speaker of the House of Representatives

The Honorable Jerome M. Hughes
President of the Senate

We, the undersigned conferees for H. F. No. 826, 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. 826 be further amended as follows:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1988, section 13.84, subdivision 5a, is amended to read:

Subd. 5a. [PUBLIC BENEFIT DATA.] The responsible authority or its designee of a parole or probation authority or correctional agency may release private or confidential court services data related to: (1) criminal acts to any law enforcement agency, if necessary for law enforcement purposes; or; and (2) criminal acts or delinquent acts to the victim victims of a criminal act where or delinquent acts to the extent that the data are necessary for the victim to assert the victim's legal right to restitution. In the case of delinquent acts, the data that may be released include only the juvenile's name, address, date of birth, and place of employment; the name and address of the juvenile's parents or guardians; and the factual part of police reports related to the investigation of the delinquent act.

Sec. 2. Minnesota Statutes 1988, section 260.161, subdivision 2, is amended to read:

Subd. 2. Except as provided in this subdivision and in subdivision 1, and except for legal records arising from proceedings that are public under section 260.155, subdivision 1, none of the records of the juvenile court and none of the records relating to an appeal from a nonpublic juvenile court proceeding, except the written appellate opinion, shall be open to public inspection or their contents disclosed

except (a) by order of a court or (b) as required by sections 611A.03, 611A.04, and 611A.06. The records of juvenile probation officers and county home schools are records of the court for the purposes of this subdivision. Court services data relating to delinquent acts that are contained in records of the juvenile court may be released as allowed under section 13.84, subdivision 5a. This subdivision applies to all proceedings under this chapter, including appeals from orders of the juvenile court, except that this subdivision does not apply to proceedings under section 260.255, 260.261, or 260.315 when the proceeding involves an adult defendant. The court shall maintain the confidentiality of adoption files and records in accordance with the provisions of laws relating to adoptions. In juvenile court proceedings any report or social history furnished to the court shall be open to inspection by the attorneys of record and the guardian ad litem a reasonable time before it is used in connection with any proceeding before the court.

When a judge of a juvenile court, or duly authorized agent of the court, determines under a proceeding under this chapter that a child has violated a state or local law, ordinance, or regulation pertaining to the operation of a motor vehicle on streets and highways, except parking violations, the judge or agent shall immediately report the violation to the commissioner of public safety. The report must be made on a form provided by the department of public safety and must contain the information required under section 169.95."

Amend the title as follows:

Page 1, line 4, delete "law enforcement"

Page 1, line 5, after "purposes" insert "of victim restitution"

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

House Conferees: CHARLIE WEAVER, RANDY C. KELLY AND SANDY PAPPAS.

Senate Conferees: GENE MERRIAM, FRITZ KNAAK AND RANDOLPH W. PETERSON.

Weaver moved that the report of the Conference Committee on H. F. No. 826 be adopted and that the bill be repassed as amended by the Conference Committee. The motion prevailed.

H. F. No. 826, A bill for an act relating to the collection and dissemination of data; providing access to private and confidential data related to delinquent acts for law enforcement purposes;

amending Minnesota Statutes 1988, sections 13.84, subdivision 5a; and 260.161, subdivision 2.

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

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

Those who voted in the affirmative were:

Abrams	Frederick	Knickerbocker	Olson, K.	Schafer
Anderson, G.	Ferichs	Kostohryz	Omann	Scheid
Anderson, R.	Girard	Krueger	Onnen	Schreiber
Battaglia	Greenfield	Lasley	Orenstein	Seaberg
Bauerly	Gruenes	Lieder	Osthoff	Skoglund
Beard	Gutknecht	Limmer	Ostrom	Solberg
Begich	Hartle	Long	Otis	Sparby
Bennett	Hasskamp	Lynch	Ozment	Stanitus
Bertram	Haukoos	Macklin	Pappas	Steensma
Bishop	Heap	Marsh	Pauly	Sviggum
Blatz	Henry	McDonald	Pellow	Swenson
Boo	Himle	McEachern	Pelowski	Tjornhom
Brown	Hugoson	McGuire	Peterson	Tompkins
Burger	Jacobs	McLaughlin	Poppenhagen	Trimble
Carlson, D.	Janezich	McPherson	Price	Tunheim
Carlson, L.	Jaros	Milbert	Pugh	Uphus
Carruthers	Jefferson	Miller	Quinn	Valento
Clark	Jennings	Morrison	Redalen	Vellenga
Conway	Johnson, A.	Munger	Reding	Wagenius
Cooper	Johnson, R.	Murphy	Rest	Waltman
Dauner	Johnson, V.	Nelson, C.	Rice	Weaver
Dawkins	Kahn	Nelson, K.	Richter	Welle
Dempsey	Kalis	O'Connor	Rodosovich	Wenzel
Dille	Kelly	Ogren	Rukavina	Williams
Dorn	Kelso	Olsen, S.	Runbeck	Winter
Forsythe	Kinkel	Olson, E.	Sarna	Wynia
				Spk. Vanasek

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

CONFERENCE COMMITTEE REPORT ON H. F. NO. 1160

A bill for an act relating to education; authorizing school district participation in certain energy efficiency projects; proposing coding for new law in Minnesota Statutes, chapter 124.

May 17, 1989

The Honorable Robert E. Vanasek
Speaker of the House of Representatives

The Honorable Jerome M. Hughes
President of the Senate

We, the undersigned conferees for H. F. No. 1160, report that we have agreed upon the items in dispute and recommend as follows:

That the Senate recede from its amendments and that H. F. No. 1160 be further amended as follows:

Delete everything after the enacting clause and insert:

“Section 1. [124.85] [ENERGY EFFICIENCY PROJECTS.]

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

(a) “Energy conservation measure” means a training program or facility alteration designed to reduce energy consumption or operating costs and includes:

(1) Insulation of the building structure and systems within the building;

(2) Storm windows and doors, caulking or weatherstripping, multiglazed windows and doors, heat absorbing or heat reflective glazed and coated window and door systems, additional glazing, reductions in glass area, and other window and door system modifications that reduce energy consumption;

(3) Automatic energy control systems;

(4) Heating, ventilating, or air conditioning system modifications or replacements;

(5) Replacement or modifications of lighting fixtures to increase the energy efficiency of the lighting system without increasing the overall illumination of a facility, unless such increase in illumination is necessary to conform to the applicable state or local building code for the lighting system after the proposed modifications are made;

(6) Energy recovery systems;

(7) Cogeneration systems that produce steam or forms of energy such as heat, as well as electricity, for use primarily within a building or complex of buildings;

(8) Energy conservation measures that provide long-term operating cost reductions.

(b) “Guaranteed energy savings contract” means a contract for the evaluation and recommendations of energy conservation measures, and for one or more energy conservation measures. The contract must provide that all payments, except obligations on termination of the contract before its expiration, are to be made over time, but not to exceed ten years from the date of final installation, and the

savings are guaranteed to the extent necessary to make payments for the systems.

(c) "Qualified provider" means a person or business experienced in the design, implementation, and installation of energy conservation measures. A qualified provider to whom the contract is awarded shall give a sufficient bond to the school district for its faithful performance.

Subd. 2. [ENERGY EFFICIENCY CONTRACT.] Notwithstanding any law to the contrary, a school district may enter into a guaranteed energy savings contract with a qualified provider to significantly reduce energy or operating costs.

Before entering into a contract under this subdivision, the board shall provide published notice of the meeting in which it proposes to award the contract, the names of the parties to the proposed contract, and the contract's purpose.

Before installation of equipment, modification, or remodeling, the qualified provider shall first issue a report, summarizing estimates of all costs of installations, modifications, or remodeling, including costs of design, engineering, installation, maintenance, repairs, or debt service, and estimates of the amounts by which energy or operating costs will be reduced.

Subd. 3. [CONTRACT PROVISIONS.] Guaranteed energy savings contracts that include a written guarantee that savings will meet or exceed the cost of energy conservation measures is not subject to competitive bidding requirements. The contract is not subject to section 123.37 or 471.345.

Subd. 4. [DISTRICT ACTION.] A district may enter into a guaranteed energy savings contract with a qualified provider if, after review of the report, it finds that the amount it would spend on the energy conservation measures recommended in the report is not likely to exceed the amount to be saved in energy and operation costs over ten years from the date of installation if the recommendations in the report were followed, and the qualified provider provides a written guarantee that the energy or operating cost savings will meet or exceed the costs of the system. The guaranteed energy savings contract may provide for payments over a period of time, not to exceed ten years.

Subd. 5. [INSTALLATION CONTRACTS.] A school district may enter into an installment payment contract for the purchase and installation of energy conservation measures. The contract must provide for payments of not less than one-tenth of the price to be paid within two years from the date of the first operation, and the remaining costs to be paid monthly, not to exceed a ten-year term from the date of the first operation.

Subd. 6. [CONTRACT CONTINUANCE.] Guaranteed energy savings contracts may extend beyond the fiscal year in which they become effective. The school district shall include in its annual appropriations measure for each later fiscal year any amounts payable under guaranteed energy savings contracts during the year. Failure of a board to make such an appropriation does not affect the validity of the guaranteed energy savings contract or the school district's obligations under the contracts.

Sec. 2. [EFFECTIVE DATE.]

Section 1 is effective the day after its final enactment."

Delete the title and insert:

"A bill for an act relating to education; allowing school districts to enter into certain contracts to reduce energy and operating costs; proposing coding for new law in Minnesota Statutes, chapter 124."

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

House Conferees: JERRY J. BAUERLY, MARY JO MCGUIRE AND BERNIE OMANN.

Senate Conferees: DAVID J. FREDERICKSON, JAMES C. PEHLER AND FRITZ KNAAK.

Bauerly moved that the report of the Conference Committee on H. F. No. 1160 be adopted and that the bill be repassed as amended by the Conference Committee. The motion prevailed.

H. F. No. 1160, A bill for an act relating to education; authorizing school district participation in certain energy efficiency projects; proposing coding for new law in Minnesota Statutes, chapter 124.

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

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

Those who voted in the affirmative were:

Abrams	Frichs	Krueger	Orenstein	Segal
Anderson, G.	Girard	Lasley	Osthoff	Simoneau
Anderson, R.	Greenfield	Lieder	Ostrom	Skoglund
Battaglia	Gruenes	Limmer	Otis	Solberg
Bauerly	Gutknecht	Long	Ozment	Sparby
Beard	Hartle	Lynch	Pappas	Stanius
Begich	Hasskamp	Macklin	Pauly	Steensma
Bennett	Haukoos	Marsh	Pellow	Sviggum
Bertram	Heap	McDonald	Pelowski	Swenson
Bishop	Henry	McEachern	Peterson	Tjornhom
Blatz	Himle	McGuire	Poppenhagen	Tompkins
Boo	Hugoson	McLaughlin	Price	Trimble
Brown	Jacobs	McPherson	Pugh	Tunheim
Burger	Janezich	Milbert	Quinn	Uphus
Carlson, D.	Jaros	Miller	Redalen	Valento
Carlson, L.	Jefferson	Morrison	Reding	Vellenga
Carruthers	Jennings	Munger	Rest	Wagenius
Clark	Johnson, A.	Murphy	Rice	Waltman
Conway	Johnson, R.	Nelson, C.	Richter	Weaver
Cooper	Johnson, V.	Nelson, K.	Rodosovich	Welle
Dauner	Kahn	O'Connor	Rukavina	Wenzel
Dawkins	Kalis	Ogren	Runbeck	Williams
Dempsey	Kelly	Olsen, S.	Sarna	Winter
Dille	Kelso	Olson, E.	Schafer	Wynia
Dorn	Kinkel	Olson, K.	Scheid	Spk. Vanasek
Forsythe	Knickerbocker	Omann	Schreiber	
Frederick	Kostohryz	Onnen	Seaberg	

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

CONFERENCE COMMITTEE REPORT ON H. F. NO. 166

A bill for an act relating to state agencies; providing that certain information submitted to department of transportation is public data; providing for development of internal auditing standards; classifying certain internal auditing data as other than public; defining terms; providing for limousine registration; exempting certain special transportation service providers holding current certificate of compliance from motor carrier regulations; delineating requirements of carriers to display certain information; providing for permits of special passenger carriers and household goods carriers; providing for operation under motor carrier permit on death of holder; providing for amount of insurance, bond, or other security required of motor carriers; giving commissioner of transportation subpoena power for certain enforcement purposes; providing for suspension of registration of interstate authority for failure to maintain insurance; amending Minnesota Statutes 1988, sections 13.72, by adding subdivisions; 16A.055, subdivision 1; 168.011, subdivision 35; 168.128, subdivision 2; 174.30, subdivision 6; 221.011, subdivisions 16, 20, and by adding a subdivision; 221.031, subdivision 6; 221.111; 221.121, subdivision 6a; 221.141, subdivision 1b, and by adding a subdivision; and 221.60, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapters 13; 65B; and 221.

May 18, 1989

The Honorable Robert E. Vanasek
Speaker of the House of Representatives

The Honorable Jerome M. Hughes
President of the Senate

We, the undersigned conferees for H. F. No. 166, report that we have agreed upon the items in dispute and recommend as follows:

That the House concur in the Senate amendments and that H. F. No. 166 be further amended as follows:

Page 2, after line 7, insert:

“Sec. 3. [65B.135] [LIMOUSINE INSURANCE.]

An insurer who provides insurance for limousines, defined in section 168.011, subdivision 35, shall provide insurance in a minimum aggregate amount of \$300,000 per accident for each limousine covered.”

Page 2, line 24, after “drivers” insert “and certification by the owner that an insurance policy in an aggregate amount of \$300,000 per accident is in effect for the entire period of the registration under section 3”

Page 4, after line 20, insert:

“Sec. 9. Minnesota Statutes 1988, section 221.031, subdivision 2a, is amended to read:

Subd. 2a. [PRIVATE AGRICULTURAL CARRIERS.] (a) Notwithstanding the provisions of subdivision 2, private carriers engaged in intrastate commerce and operating vehicles transporting agricultural and other farm products within an area having a 50-mile radius from the business location of the private carrier must comply only with the commissioner’s rules for safety of operations and equipment, except as provided in paragraph (b).

(b) A rear-end dump truck or other rear-unloading truck while being used for hauling agricultural and other farm products from a place of production or on-farm storage site to a place of processing or storage, is not subject to any rule of the commissioner, including a federal regulation adopted by reference, requiring rear-end protection.”

Renumber the sections in sequence

Correct internal references

Amend the title:

Page 1, line 5, after "registration" insert "and insurance"

Page 1, line 16, after the semicolon insert "exempting farm trucks from rear-end protection requirements;"

Page 1, line 20, delete the first "subdivision" and insert "subdivisions 2a and"

Page 1, line 24, delete "chapter" and insert "chapters 65B and"

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

House Conferees: HAROLD LASLEY, PETER RODOSOVICH AND JOYCE HENRY.

Senate Conferees: STEVEN G. NOVAK, PHYLLIS W. MCQUAID AND MARILYN M. LANTRY.

Lasley moved that the report of the Conference Committee on H. F. No. 166 be adopted and that the bill be repassed as amended by the Conference Committee. The motion prevailed.

H. F. No. 166, A bill for an act relating to state agencies; providing that certain information submitted to department of transportation is public data; providing for development of internal auditing standards; classifying certain internal auditing data as other than public; defining terms; providing for limousine registration; exempting certain special transportation service providers holding current certificate of compliance from motor carrier regulations; delineating requirements of carriers to display certain information; providing for permits of special passenger carriers and household goods carriers; providing for operation under motor carrier permit on death of holder; providing for amount of insurance, bond, or other security required of motor carriers; giving commissioner of transportation subpoena power for certain enforcement purposes; providing for suspension of registration of interstate authority for failure to maintain insurance; amending Minnesota Statutes 1988, sections 13.72, by adding subdivisions; 16A.055, subdivision 1; 168.011, subdivision 35; 168.128, subdivision 2; 174.30, subdivision 6; 221.011, subdivisions 16, 20, and by adding a subdivision; 221.031, subdivision 6; 221.111; 221.121, subdivision 6a; 221.141, subdivision 1b, and by adding a subdivision; and 221.60, by adding a

subdivision; proposing coding for new law in Minnesota Statutes, chapters 13; 65B; and 221.

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

The question was taken on the repassage of the bill and the roll was called. There were 129 yeas and 3 nays as follows:

Those who voted in the affirmative were:

Abrams	Frederick	Kostohryz	Onnen	Segal
Anderson, G.	Frerichs	Krueger	Orenstein	Simoneau
Anderson, R.	Girard	Lasley	Ostrom	Skoglund
Battaglia	Greenfield	Lieder	Otis	Solberg
Bauerly	Gruenes	Limmer	Ozment	Sparby
Beard	Gutknecht	Long	Pappas	Stanius
Begich	Hasskaamp	Lynch	Pauly	Steensma
Bennett	Haukoos	Macklin	Pellow	Sviggum
Bertram	Heap	Marsh	Pelowski	Swenson
Bishop	Henry	McDonald	Peterson	Tjornhom
Blatz	Himle	McEachern	Poppenhagen	Tompkins
Boo	Hugoson	McGuire	Price	Trimble
Brown	Jacobs	McLaughlin	Pugh	Tunheim
Burger	Janezich	McPherson	Quinn	Uphus
Carlson, D.	Jaros	Miller	Redalen	Valento
Carlson, L.	Jefferson	Morrison	Reding	Vellenga
Carruthers	Jennings	Munger	Rest	Wagenius
Clark	Johnson, A.	Murphy	Rice	Waltman
Conway	Johnson, R.	Nelson, C.	Richter	Weaver
Cooper	Johnson, V.	Nelson, K.	Rodosovich	Welle
Dauner	Kahn	O'Connor	Rukavina	Wenzel
Dawkins	Kalis	Ogren	Rumbeck	Williams
Dempsey	Kelly	Olsen, S.	Sarna	Winter
Dille	Kelso	Olson, E.	Schafer	Wynia
Dorn	Kinkel	Olson, K.	Schreiber	Spk. Vanasek
Forsythe	Knickerbocker	Omann	Seaberg	

Those who voted in the negative were:

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

CONFERENCE COMMITTEE REPORT ON H. F. NO. 95

A bill for an act relating to crime victims; clarifying certain criminal fine provisions; authorizing the deposit of unclaimed and abandoned restitution payments in the crime victim and witness account; increasing the maximum amount of reparations payable for funeral, burial, or cremation expenses; authorizing the payment of reparations under certain circumstances to Minnesota residents injured by crimes committed elsewhere; clarifying the authority of the reparations board to deny reparations on the basis of claimant's contributory misconduct; amending Minnesota Statutes 1988, sec-

tions 345.48, subdivision 1; 609.101, subdivision 2; 611A.52, subdivision 8; 611A.53, by adding a subdivision; and 611A.54.

May 10, 1989

The Honorable Robert E. Vanasek
Speaker of the House of Representatives

The Honorable Jerome M. Hughes
President of the Senate

We, the undersigned conferees for H. F. No. 95, 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. 95 be further amended as follows:

Page 3, delete lines 11 to 14

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

House Conferees: DAVID T. BISHOP, RANDY C. KELLY AND KATHLEEN VELLENGA.

Senate Conferees: DONNA C. PETERSON, DONALD M. MOE AND WILLIAM V. BELANGER, JR.

Bishop moved that the report of the Conference Committee on H. F. No. 95 be adopted and that the bill be repassed as amended by the Conference Committee. The motion prevailed.

H. F. No. 95, A bill for an act relating to crime victims; clarifying certain criminal fine provisions; authorizing the deposit of unclaimed and abandoned restitution payments in the crime victim and witness account; increasing the maximum amount of reparations payable for funeral, burial, or cremation expenses; authorizing the payment of reparations under certain circumstances to Minnesota residents injured by crimes committed elsewhere; clarifying the authority of the reparations board to deny reparations on the basis of claimant's contributory misconduct; amending Minnesota Statutes 1988, sections 345.48, subdivision 1; 609.101, subdivision 2; 611A.52, subdivision 8; 611A.53, by adding a subdivision; and 611A.54.

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

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

Those who voted in the affirmative were:

Abrams	Frerichs	Krueger	Orenstein	Segal
Anderson, G.	Girard	Lasley	Osthoff	Simoneau
Anderson, R.	Greenfield	Lieder	Ostrom	Skoglund
Battaglia	Gruenes	Limmer	Otis	Solberg
Bauerly	Gutknecht	Long	Ozment	Sparby
Beard	Hartle	Lynch	Pappas	Stanius
Begich	Hasskamp	Macklin	Pauly	Steensma
Bennett	Haukoos	Marsh	Pellow	Swiggum
Bertram	Heap	McDonald	Pelowski	Swenson
Bishop	Henry	McEachern	Peterson	Tjornhom
Blatz	Himle	McGuire	Poppenhagen	Tompkins
Boo	Hugoson	McLaughlin	Price	Trimble
Brown	Jacobs	McPherson	Pugh	Tunheim
Burger	Janezich	Milbert	Quinn	Uphus
Carlson, D.	Jaros	Miller	Redalen	Valento
Carlson, L.	Jefferson	Morrison	Reding	Vellenga
Carruthers	Jennings	Munger	Rest	Wagenius
Clark	Johnson, A.	Murphy	Rice	Waltman
Conway	Johnson, R.	Nelson, C.	Richter	Weaver
Cooper	Johnson, V.	Nelson, K.	Rodosovich	Welle
Dauner	Kahn	O'Connor	Rukavina	Wenzel
Dawkins	Kalis	Ogren	Runbeck	Williams
Dempsey	Kelly	Olsen, S.	Sarna	Winter
Dille	Kelso	Olsen, E.	Schafer	Wynia
Dorn	Kinkel	Olson, K.	Scheid	Spk. Vanasek
Forsythe	Knickerbocker	Omann	Schreiber	
Frederick	Kostohryz	Onnen	Seaberg	

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

CONFERENCE COMMITTEE REPORT ON H. F. NO. 1435

A bill for an act relating to liquor; authorizing issuance of a certain on-sale license in Todd county.

May 18, 1989

The Honorable Robert E. Vanasek
Speaker of the House of Representatives

The Honorable Jerome M. Hughes
President of the Senate

We, the undersigned conferees for H. F. No. 1435, report that we have agreed upon the items in dispute and recommend as follows:

That the Senate recede from its amendments.

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

House Conferees: RICHARD KRUEGER, JOEL JACOBS AND BOB ANDERSON.

Senate Conferees: DON ANDERSON, DAVID J. FREDERICKSON AND CHARLES A. BERG.

Krueger moved that the report of the Conference Committee on H. F. No. 1435 be adopted and that the bill be repassed as amended by the Conference Committee. The motion prevailed.

H. F. No. 1435, A bill for an act relating to liquor; authorizing issuance of a certain on-sale license in Todd county.

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

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

Those who voted in the affirmative were:

Abrams	Frerichs	Krueger	Orenstein	Segal
Anderson, G.	Girard	Lasley	Osthoff	Simoneau
Anderson, R.	Greenfield	Lieder	Ostrom	Skoglund
Battaglia	Gruenes	Limmer	Otis	Solberg
Bauerly	Gutknecht	Long	Ozment	Sparby
Beard	Hartle	Lynch	Pappas	Stanius
Begich	Hasskamp	Macklin	Pauly	Steensma
Bennett	Haukoos	Marsh	Pellow	Sviggum
Bertram	Heap	McDonald	Pelowski	Swenson
Bishop	Henry	McEachern	Peterson	Tjornhom
Blatz	Himle	McGuire	Poppenhagen	Tompkins
Boo	Hugoson	McLaughlin	Price	Trimble
Brown	Jacobs	McPherson	Pugh	Tunheim
Burger	Janezich	Milbert	Quinn	Uphus
Carlson, D.	Jaros	Miller	Redalen	Valento
Carlson, L.	Jefferson	Morrison	Reding	Vellenga
Carruthers	Jennings	Munger	Rest	Wagenius
Clark	Johnson, A.	Murphy	Rice	Waltman
Conway	Johnson, R.	Nelson, C.	Richter	Weaver
Cooper	Johnson, V.	Nelson, K.	Rodosovich	Welle
Dauner	Kahn	O'Connor	Rukavina	Wenzel
Dawkins	Kalis	Ogren	Runbeck	Williams
Dempsey	Kelly	Olsen, S.	Sarna	Winter
Dille	Kelso	Olson, E.	Schafer	Wynia
Dorn	Kinkel	Olson, K.	Scheid	Spk. Vanasek
Forsythe	Knickerbocker	Omman	Schreiber	
Frederick	Kostohryz	Onnen	Seaberg	

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

CONFERENCE COMMITTEE REPORT ON H. F. NO. 811

A bill for an act relating to natural resources; changing certain

provisions relating to the taking of turtles; amending Minnesota Statutes 1988, sections 97A.475, subdivision 41; 97C.605, subdivisions 2 and 3; and 97C.611; repealing Minnesota Statutes 1988, section 97C.615.

May 17, 1989

The Honorable Robert E. Vanasek
Speaker of the House of Representatives

The Honorable Jerome M. Hughes
President of the Senate

We, the undersigned conferees for H. F. No. 811, report that we have agreed upon the items in dispute and recommend as follows:

That the Senate recede from its amendment.

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

House Conferees: THOMAS W. PUGH, BOB JOHNSON AND CHARLIE WEAVER

Senate Conferees: CHARLES A. BERG, PAT PIPER AND DENNIS R. FREDERICKSON.

Pugh moved that the report of the Conference Committee on H. F. No. 811 be adopted and that the bill be repassed as amended by the Conference Committee. The motion prevailed.

H. F. No. 811, A bill for an act relating to natural resources; changing certain provisions relating to the taking of turtles; amending Minnesota Statutes 1988, sections 97A.475, subdivision 41; 97C.605, subdivisions 2 and 3; and 97C.611; repealing Minnesota Statutes 1988, section 97C.615.

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

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

Those who voted in the affirmative were:

Abrams	Anderson, R.	Bauerly	Begich	Bertram
Anderson, G.	Battaglia	Beard	Bennett	Bishop

Blatz	Heap	Macklin	Ozment	Skoglund
Boo	Henry	Marsh	Pappas	Solberg
Brown	Himle	McDonald	Pauly	Sparby
Burger	Hugoson	McEachern	Pellow	Stanius
Carlson, D.	Jacobs	McGuire	Pelowski	Steensma
Carlson, L.	Janezich	McLaughlin	Peterson	Sviggum
Carruthers	Jaros	McPherson	Poppenhagen	Swenson
Clark	Jefferson	Milbert	Price	Tjornhom
Conway	Jennings	Miller	Pugh	Tompkins
Cooper	Johnson, A.	Morrison	Quinn	Trimble
Dauner	Johnson, R.	Munger	Redalen	Tunheim
Dawkins	Johnson, V.	Murphy	Reding	Uphus
Dempsey	Kahn	Nelson, C.	Rest	Valento
Dille	Kalis	Nelson, K.	Rice	Vellenga
Dorn	Kelly	O'Connor	Richter	Wagenius
Forsythe	Kelso	Ogren	Rodosovich	Waltman
Frederick	Kinkel	Olsen, S.	Rukavina	Weaver
Frerichs	Knickerbocker	Olson, E.	Runbeck	Welle
Girard	Kostohryz	Olson, K.	Sarna	Wenzel
Greenfield	Krueger	Omann	Schafer	Williams
Gruenes	Lasley	Onnen	Scheid	Winter
Gutknecht	Lieder	Orenstein	Schreiber	Wynia
Hartle	Limmer	Osthoff	Seaberg	Spk. Vanasek
Hasskamp	Long	Ostrom	Segal	
Haukoos	Lynch	Otis	Simoneau	

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

CONFERENCE COMMITTEE REPORT ON H. F. NO. 1285

A bill for an act relating to health insurance; changing coverage and administrative procedures relating to the comprehensive health insurance plan; requiring a report; amending Minnesota Statutes 1988, sections 62E.10, subdivisions 2a, 7, and 9; and 62E.12.

May 17, 1989

The Honorable Robert E. Vanasek
Speaker of the House of Representatives

The Honorable Jerome M. Hughes
President of the Senate

We, the undersigned conferees for H. F. No. 1285, 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. 1285 be further amended as follows:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1988, section 13.71, is amended by adding a subdivision to read:

Subd. 6. [DATA ON ENROLLEES OF MCHA.] The names and addresses of enrollees of the comprehensive health association maintained by or submitted to the department of commerce are private data.

Sec. 2. Minnesota Statutes 1988, section 62E.10, subdivision 1, is amended to read:

Subdivision 1. [CREATION; DUTIES; TAX EXEMPTION:] (a) There is established a comprehensive health association.

(b) The comprehensive health association shall:

(1) oversee the operation and management of the state plan;

(2) ensure that costs associated with the delivery of health care services to persons covered under the state plan, including both the costs of claims and the direct and indirect expenses of administration, and the costs arising out of the association's performance of its functions and obligations, are effectively and responsibly controlled;

(3) establish, through innovative cost and quality control programs including, to the extent feasible, programs providing for the use of health care outcomes and other data in the choice and regulation of health care services, mechanisms to ensure that cost controls do not have a significant negative impact on the access to services or the quality or effectiveness of health care services actually provided to enrollees; and

(4) to promote the public health and welfare of the state of Minnesota with.

(c) The membership consisting of all the comprehensive health association consists of insurers, self-insurers, fraternal, and health maintenance organizations licensed or authorized to do business in this state.

(d) The comprehensive health association shall be exempt from taxation under the laws of this state and all property owned by the association shall be exempt from taxation.

Sec. 3. Minnesota Statutes 1988, section 62E.10, subdivision 2, is amended to read:

Subd. 2. [BOARD OF DIRECTORS; ORGANIZATION.] (a) The board of directors of the association shall be made up of nine members as follows: five insurer directors selected by participating members, subject to approval by the commissioner; four public directors selected by the commissioner. Public members may include licensed insurance agents.

(b) The public members of the board shall be compensated at the rate of at least \$35 per day spent on board activities, when authorized by the board, plus expenses in the same manner and amount as authorized by the commissioner of employee relations' plan adopted under section 43A.18, subdivision 2. Compensation under this subdivision must be paid by the association.

(c) In determining voting rights at members' meetings, each member shall be entitled to vote in person or proxy. The vote shall be a weighted vote based upon the member's cost of self-insurance, accident and health insurance premium, subscriber contract charges, or health maintenance contract payment derived from or on behalf of Minnesota residents in the previous calendar year, as determined by the commissioner.

(d) In approving directors of the board, the commissioner shall consider, among other things, whether all types of members are fairly represented. Insurer directors may be reimbursed from the money of the association for expenses incurred by them as directors, but shall not otherwise be compensated by the association for their services. The costs of conducting meetings of the association and its board of directors shall be borne by members of the association.

Sec. 4. Minnesota Statutes 1988, section 62E.10, subdivision 2a, is amended to read:

Subd. 2a. [APPEALS.] A person may appeal to the commissioner within 30 days after notice of an action, ruling, or decision by the board. If the appeal relates to an action taken by the writing carrier, the person must first exhaust the writing carrier's internal grievance process before appealing to the commissioner, except in emergency or life-threatening situations. If the internal grievance process is not concluded within 45 days after it is commenced, the person may appeal to the commissioner before the internal process has been exhausted.

A final action or order of the commissioner under this subdivision is subject to judicial review in the manner provided by chapter 14.

In lieu of the appeal to the commissioner, a person may seek judicial review of the board's action.

Sec. 5. Minnesota Statutes 1988, section 62E.10, subdivision 7, is amended to read:

Subd. 7. [GENERAL POWERS.] The association may:

(a) Exercise the powers granted to insurers under the laws of this state;

(b) Sue or be sued;

(c) Enter into contracts with insurers, similar associations in other states or with other persons for the performance of administrative functions including the functions provided for in clauses (e) and (f);

(d) Establish administrative and accounting procedures for the operation of the association;

(e) Provide for the reinsuring of risks incurred as a result of issuing the coverages required by sections 62E.04 and 62E.16 by members of the association. Each member which elects to reinsure its required risks shall determine the categories of coverage it elects to reinsure in the association. The categories of coverage are:

(1) Individual qualified plans, excluding group conversions;

(2) Group conversions;

(3) Group qualified plans with fewer than 50 employees or members; and

(4) Major medical coverage.

A separate election may be made for each category of coverage. If a member elects to reinsure the risks of a category of coverage, it must reinsure the risk of the coverage of every life covered under every policy issued in that category. A member electing to reinsure risks of a category of coverage shall enter into a contract with the association establishing a reinsurance plan for the risks. This contract may include provision for the pooling of members' risks reinsured through the association and it may provide for assessment of each member reinsuring risks for losses and operating and administrative expenses incurred, or estimated to be incurred in the operation of the reinsurance plan. This reinsurance plan shall be approved by the commissioner before it is effective. Members electing to administer the risks which are reinsured in the association shall comply with the benefit determination guidelines and accounting procedures established by the association. The fee charged by the association for the reinsurance of risks shall not be less than 110 percent of the total anticipated expenses incurred by the association for the reinsurance; and

(f) Provide for the administration by the association of policies which are reinsured pursuant to clause (e). Each member electing to reinsure one or more categories of coverage in the association may elect to have the association administer the categories of coverage on the member's behalf. If a member elects to have the association administer the categories of coverage, it must do so for every life

covered under every policy issued in that category. The fee for the administration shall not be less than 110 percent of the total anticipated expenses incurred by the association for the administration;

(g) Notwithstanding the usual and customary charge requirement under section 62E.06, subdivision 1, establish a fee schedule for payments for services covered by the comprehensive health insurance plan according to section 7;

(h) Provide for the assignment of benefits on the terms and subject to the conditions the association determines are appropriate; and

(i) Provide for the development of new methods to allow the enrollee to participate in the choice and regulation of the enrollee's own health care in accordance with the principle that participation by the health care consumer in decisions affecting care is an effective means of ensuring that the health care services actually rendered are necessary, low in cost, and reasonably effective.

Sec. 6. Minnesota Statutes 1988, section 62E.10, subdivision 9, is amended to read:

Subd. 9. [STUDIES, DEMONSTRATION PROJECTS, AND EXPERIMENTAL DELIVERY METHOD SYSTEMS.] The association may petition the commissioner of commerce for a waiver to allow the experimental use of alternative means of health care delivery. The commissioner may approve the use of the alternative means the commissioner considers appropriate. The commissioner may waive any of the requirements of this chapter and chapters 60A, 62A, and 62D in granting the waiver. The commissioner may also grant to the association any additional powers as are necessary to facilitate the specific waiver, including the power to implement a provider payment schedule.

This subdivision is effective until August 1, 1990.

The commissioner of commerce in consultation with the governor's commission on health plan regulatory reform shall study and report to the legislature by January 15, 1989, on the current means utilized to finance the annual operating deficits incurred under the association. In conducting the study, the commissioner shall analyze any negative financial impacts which the current deficits are having on the contributing members of the association and recommend alternative sources of funding or other approaches which could be utilized to finance the operating deficit. The study shall also address the current association funding inequities between employers which self-insure for employee health benefit coverage and those employers which have health coverage subject to state regulation. The association shall conduct studies, demonstration projects, and experimental delivery systems the association considers appropriate

to give effect to the principles in section 62E.10, subdivisions 1, paragraph (b), and 7, paragraph (i). The studies, demonstration projects, and experimental delivery systems may be administered by the writing carrier or by third parties the association in its discretion considers most likely to achieve its purposes. The writing carrier, as a condition of its acceptance of a contract to provide comprehensive health insurance, shall agree to provide data and information for studies and demonstration projects and other experimental delivery systems the association considers appropriate in discharging its obligations under this section. The association may petition the commissioner of commerce for, and the commissioner may grant, a waiver of any of the requirements of this chapter and chapters 60A, 62A, and 62D, to allow the experimental use of alternative health delivery systems.

Sec. 7. Minnesota Statutes 1988, section 62E.10, is amended by adding a subdivision to read:

Subd. 10. [FEE SCHEDULE.] (a) The association shall establish a fee schedule for payments for services and articles covered by the comprehensive health insurance plan, subject to applicable copayments and deductibles. The fee schedule must be designed to reduce the amount paid for services rendered under the plan without substantially reducing the access to services or quality of services. The fee schedule must be established no later than January 1, 1990. In determining the fee schedule, the association must consider, in addition to other relevant factors, a weighted average of the following payments made to providers in the seven-county Minneapolis-St. Paul metropolitan area:

- (1) payments made under the medical assistance program;
- (2) payments made under the Medicare program;
- (3) payments made by the two largest contributing members of the association;
- (4) workers' compensation payments; and
- (5) payments by commercial insurers according to the most recent compilation of data regarding prevailing hospital, surgical, and dental charges conducted by the Health Insurance Association of America.

(b) A proposed fee schedule established under paragraph (a) must be published in the State Register along with notice of a public hearing on the fee schedule and solicitation of public comment on the fee schedule. Following the public hearing and comment period, the final fee schedule must be published in the State Register and is effective 30 days after publication.

(c) The association and the writing carrier must not reduce payments for services below approved plan benefit provisions prior to the establishment of a fee schedule under this section.

(d) Information provided for purposes of establishing a fee schedule under paragraph (a) is nonpublic, trade secret information as defined in section 13.37, subdivision 1, paragraph (b), and shall be provided directly to an agent selected by the association for the purposes of determining the fee schedule required under paragraph (a). The detailed payment information used in developing the fee schedule shall not be disclosed by the agent unless directed by a unanimous vote of the association board of directors. When the fee schedule has been determined by the association, the payment information shall be destroyed or returned to the entity which provided the information, if so requested. The association or its agent may not disclose any information, formulas, or calculations relating to the fee schedule that would result in the direct or indirect release of the information described in paragraph (a), clause (3).

(e) As a condition of receiving a payment from the association or enrollee for services or articles covered by the plan, a provider shall be deemed to have agreed not to charge to or collect from the enrollee any amount in excess of the fee schedule.

Sec. 8. Minnesota Statutes 1988, section 62E.12, is amended to read:

62E.12 [MINIMUM BENEFITS OF COMPREHENSIVE HEALTH INSURANCE PLAN.]

The association through its comprehensive health insurance plan shall offer policies which provide the benefits of a number one qualified plan, a number two qualified plan and a qualified medicare supplement plan. They shall offer health maintenance organization contracts in those areas of the state where a health maintenance organization has agreed to make the coverage available and has been selected as a writing carrier. Notwithstanding the provisions of section 62E.06 the state plan shall exclude coverage of:

(1) services of a private duty nurse other than on an inpatient basis and;

(2) any charges for treatment in a hospital located outside of the state of Minnesota in which the covered person is receiving treatment for a mental or nervous disorder, unless similar treatment for the mental or nervous disorder is medically necessary, unavailable in Minnesota and provided upon referral by a licensed Minnesota medical practitioner; and

(3) services or articles that are determined by the writing carrier

to be not medically necessary, experimental, or investigative, as defined in the policy.

Sec. 9. [RESEARCH AND DATA COLLECTION; REPORT.]

Subdivision 1. [SPECIAL PROJECTS.] To the extent possible under the terms of existing contracts with the writing carrier, the board shall conduct studies, demonstration projects, and experimental delivery systems under section 6.

Subd. 2. [DATA COLLECTION.] The board of directors of the comprehensive health association shall collect and analyze information and data concerning:

(1) the characteristics of the persons enrolled in the comprehensive health insurance plan;

(2) the types and locations of providers who serve enrollees;

(3) the amounts of payments made to providers for covered services; and

(4) other related information.

Subd. 3. [REPORT.] The board shall review the data collected under subdivision 2 and other relevant data and research relating to the delivery of health care, and report to the legislature by November 1, 1990, with recommendations for administrative and legislative changes to improve the efficiency and effectiveness of the comprehensive health insurance plan. The board shall propose specific language for legislation to accompany any recommendation for legislative change. The report must include at least the following:

(1) an analysis of the feasibility of an assumption of risk by the writing carrier;

(2) an analysis of the risk factors in the population served by the plan;

(3) a discussion of the feasibility of developing and implementing outcome measurements;

(4) a description of the types and locations of medical providers who serve enrollees and a comparison of provider payments to payments made by other payers;

(5) a description and analysis of the demographics of the enrollee population;

(6) a description and evaluation of studies, demonstration projects, and experimental delivery systems conducted under section 6;

(7) an analysis of potential cost-containment activities and alternative health care delivery methods; and

(8) other information and recommendations the board considers appropriate.

Sec. 10. [EFFECTIVE DATE.]

Section 1 is effective the day following final enactment. Sections 2, 4, 5, 7, and 8 are effective July 1, 1989, and apply to policies issued or renewed after July 1, 1989. Sections 3, 6, and 9 are effective July 1, 1989."

Delete the title and insert:

"A bill for an act relating to health insurance; changing coverage and administrative procedures relating to the comprehensive health insurance plan; requiring a report; amending Minnesota Statutes 1988, sections 13.71, by adding a subdivision; 62E.10, subdivisions 1, 2, 2a, 7, 9, and by adding a subdivision; and 62E.12."

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

House Conferees: WESLEY J. SKOGLUND, JOHN BURGER AND PHIL CARRUTHERS.

Senate Conferees: JOHN E. BRANDL, WILLIAM P. LUTHER AND DONALD A. STORM.

Skoglund moved that the report of the Conference Committee on H. F. No. 1285 be adopted and that the bill be repassed as amended by the Conference Committee.

The Speaker called Anderson, G., to the Chair.

CALL OF THE HOUSE

On the motion of Skoglund and on the demand of 10 members, a call of the House was ordered. The following members answered to their names:

Abrams

Anderson, G.

Anderson, R.

Battaglia

Bauerly

Beard	Gutknecht	Long	Pappas	Skoglund
Begich	Hartle	Lynch	Pauly	Solberg
Bennett	Hasskamp	Macklin	Pellow	Sparby
Bertram	Haukoos	McDonald	Pelowski	Stanius
Bishop	Heap	McEachern	Peterson	Steenasma
Blatz	Henry	McGuire	Poppenhagen	Sviggum
Boo	Himle	McLaughlin	Price	Swenson
Brown	Hugoson	McPherson	Pugh	Tjornhom
Burger	Jacobs	Milbert	Quinn	Tompkins
Carlson, D.	Janezich	Miller	Redalen	Trimble
Carlson, L.	Jaros	Morrison	Reding	Tunheim
Carruthers	Jefferson	Murphy	Rest	Uphus
Conway	Jennings	Nelson, C.	Rice	Valento
Cooper	Johnson, A.	O'Connor	Richter	Vellenga
Dauner	Johnson, R.	Ogren	Rodosovich	Wagenius
Dawkins	Johnson, V.	Olsen, S.	Rukavina	Waitman
Dempsey	Kalis	Olson, E.	Runbeck	Weaver
Dille	Kelso	Olson, K.	Sarna	Welle
Dorn	Kinkel	Omann	Schafer	Wenzel
Forsythe	Knickerbocker	Onnen	Scheid	Williams
Frederick	Krueger	Orenstein	Schreiber	Winter
Frerichs	Lasley	Osthoff	Seaberg	Wynia
Girard	Lieder	Otis	Segal	Spk. Vanasek
Gruenes	Limmer	Ozment	Simoneau	

Wynia moved that further proceedings of the roll call be dispensed with and that the Sergeant at Arms be instructed to bring in the absentees. The motion prevailed and it was so ordered.

Gutknecht moved that the House refuse to adopt the Conference Committee report on H. F. No. 1285; that the present House Conference Committee be discharged, and that the Speaker appoint a new Conference Committee consisting of 3 members on the part of the House.

A roll call was requested and properly seconded.

The question was taken on the Gutknecht motion and the roll was called.

Wynia moved that those not voting be excused from voting. The motion prevailed.

There were 62 yeas and 70 nays as follows:

Those who voted in the affirmative were:

Abrams	Cooper	Haukoos	Limmer	Olsen, S.
Bauerly	Dempsey	Heap	Lynch	Omann
Beard	Dorn	Henry	Macklin	Ostrom
Bennett	Forsythe	Hugoson	Marsh	Ozment
Bertram	Frederick	Jacobs	McDonald	Pauly
Bishop	Frerichs	Janezich	McEachern	Pellow
Blatz	Girard	Jennings	McPherson	Poppenhagen
Boo	Gruenes	Johnson, V.	Miller	Quinn
Brown	Gutknecht	Kelso	Morrison	Richter
Carlson, D.	Hartle	Knickerbocker	O'Connor	Runbeck

Sarna	Segal	Tjornhom	Waltman
Schafer	Stanius	Tompkins	Weaver
Schreiber	Swenson	Valento	Welle

Those who voted in the negative were:

Anderson, G.	Himle	McGuire	Pelowski	Solberg
Anderson, R.	Jaros	McLaughlin	Peterson	Sparby
Battaglia	Jefferson	Milbert	Price	Steensma
Begich	Johnson, A.	Munger	Pugh	Sviggum
Burger	Johnson, R.	Murphy	Redalen	Trimble
Carlson, L.	Kahn	Nelson, C.	Reding	Tunheim
Carruthers	Kalis	Nelson, K.	Rest	Uphus
Clark	Kelly	Ogren	Rice	Vellenga
Conway	Kinkel	Oison, K.	Rodosovich	Wagenius
Dauner	Kostohryz	Onnen	Rukavina	Wenzel
Dawkins	Krueger	Orenstein	Scheid	Williams
Dille	Lasley	Osthoff	Seaberg	Winter
Greenfield	Lieder	Otis	Simoneau	Wynia
Hasskamp	Long	Pappas	Skoglund	Spk. Vanasek

The motion did not prevail.

The question recurred on the Skoglund motion that the report of the Conference Committee on H. F. No. 1285 be adopted and that the bill be repassed as amended by the Conference Committee. The motion prevailed.

H. F. No. 1285, A bill for an act relating to health insurance; changing coverage and administrative procedures relating to the comprehensive health insurance plan; requiring a report; amending Minnesota Statutes 1988, sections 62E.10, subdivisions 2a, 7, and 9; and 62E.12.

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.

Wynia moved that those not voting be excused from voting. The motion prevailed.

There were 130 yeas and 1 nay as follows:

Those who voted in the affirmative were:

Abrams	Bishop	Conway	Frerichs	Himle
Anderson, G.	Blatz	Cooper	Girard	Hugoson
Anderson, R.	Boo	Dauner	Greenfield	Jacobs
Battaglia	Brown	Dawkins	Gruenes	Janezich
Bauerly	Burger	Dempsey	Hartle	Jaros
Beard	Carlson, D.	Dille	Hasskamp	Jefferson
Begich	Carlson, L.	Dorn	Haukoos	Jennings
Bennett	Carruthers	Forsythe	Heap	Johnson, A.
Bertram	Clark	Frederick	Henry	Johnson, R.

Johnson, V.	McGuire	Orenstein	Rice	Swenson
Kalis	McLaughlin	Osthoff	Richter	Tjornhom
Kelly	McPherson	Ostrom	Rodosovich	Tompkins
Kelso	Milbert	Otis	Rukavina	Trimble
Kinkel	Miller	Ozment	Runbeck	Tunheim
Knickerbocker	Morrison	Pappas	Schafer	Uphus
Kostohryz	Munger	Pauly	Scheid	Valento
Krueger	Murphy	Pellow	Schreiber	Vellenga
Lasley	Nelson, C.	Pelowski	Seaberg	Wagenius
Lieder	Nelson, K.	Peterson	Segal	Waltman
Limmer	O'Connor	Poppenhagen	Simoneau	Weaver
Long	Ogren	Price	Skoglund	Welle
Lynch	Olsen, S.	Pugh	Solberg	Wenzel
Macklin	Olson, E.	Quinn	Sparby	Williams
Marsh	Olson, K.	Redalen	Stanius	Winter
McDonald	Omann	Reding	Steenma	Wynia
McEachern	Onnen	Rest	Svigum	Spk. Vanasek

Those who voted in the negative were:

Gutknecht

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

The Speaker resumed the Chair.

CALL OF THE HOUSE LIFTED

Lieder moved that the call of the House be dispensed with. The motion prevailed and it was so ordered.

CONFERENCE COMMITTEE REPORT ON H. F. NO. 1530

A bill for an act relating to commerce; regulating business relations between manufacturers of heavy and utility equipment and independent retail dealers of those products; proposing coding for new law in Minnesota Statutes, chapter 325E.

May 16, 1989

The Honorable Robert E. Vanasek
Speaker of the House of Representatives

The Honorable Jerome M. Hughes
President of the Senate

We, the undersigned conferees for H. F. No. 1530, report that we have agreed upon the items in dispute and recommend as follows:

That the Senate recede from its amendments and that H. F. No. 1530 be further amended as follows:

Page 2, line 27, delete "form" and insert "from"

Page 3, line 31, delete "180" and insert "90"

Page 3, lines 34 and 35, delete "180 days" and insert "until expiration of the notice period"

Page 3, line 36, delete "180 days" and insert "the notice period"

Page 4, line 30, delete "including a sustained drought"

Page 4, line 31, delete "in the dealership market area,"

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

House Conferees: BERNARD L. "BERNIE" LIEDER, WALLY SPARBY AND TONY L. BENNETT.

Senate Conferees: ROBERT J. SCHMITZ, GLEN TAYLOR AND DAVID J. FREDERICKSON.

Lieder moved that the report of the Conference Committee on H. F. No. 1530 be adopted and that the bill be repassed as amended by the Conference Committee. The motion prevailed.

H. F. No. 1530, A bill for an act relating to commerce; regulating business relations between manufacturers of heavy and utility equipment and independent retail dealers of those products; proposing coding for new law in Minnesota Statutes, chapter 325E.

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

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

Those who voted in the affirmative were:

Abrams	Blatz	Dauner	Gruenes	Janezich
Anderson, G.	Boo	Dawkins	Gutknecht	Jaros
Anderson, R.	Brown	Dempsey	Hartle	Jefferson
Battaglia	Burger	Dille	Hasskamp	Jennings
Bauerly	Carlson, D.	Dorn	Haukoos	Johnson, A.
Beard	Carlson, L.	Forsythe	Heap	Johnson, R.
Begich	Carruthers	Frederick	Henry	Johnson, V.
Bennett	Clark	Frerichs	Himle	Kahn
Bertram	Conway	Girard	Hugoson	Kalis
Bishop	Cooper	Greenfield	Jacobs	Kelly

Kelso	McPherson	Osthoff	Rice	Sviggun
Kinkel	Milbert	Ostrom	Richter	Swenson
Knickerbocker	Miller	Otis	Rodosovich	Tjornhom
Kostohryz	Morrison	Ozment	Rukavina	Tompkins
Krueger	Munger	Pappas	Runbeck	Trimble
Lasley	Murphy	Pauly	Sarna	Tunheim
Lieder	Nelson, C.	Pellow	Schafer	Uphus
Limmer	Nelson, K.	Pelowski	Scheid	Valento
Long	O'Connor	Peterson	Schreiber	Vellenga
Lynch	Ogren	Poppenhagen	Seaberg	Wagenius
Macklin	Olsen, S.	Price	Simoneau	Waltman
Marsh	Olson, E.	Pugh	Skoglund	Weaver
McDonald	Olson, K.	Quinn	Solberg	Welle
McEachern	Omann	Redalen	Sparby	Wenzel
McGuire	Onnen	Reding	Stanius	Winter
McLaughlin	Orenstein	Rest	Steenasma	Wynia
				Spk. Vanasek

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

CONFERENCE COMMITTEE REPORT ON H. F. NO. 162

A bill for an act relating to insurance; regulating insurance information collection, use, disclosure, access, and correction practices; requiring reasons for adverse underwriting decisions; amending Minnesota Statutes 1988, section 72A.20, subdivision 11; proposing coding for new law in Minnesota Statutes, chapter 72A.

May 18, 1989

The Honorable Robert E. Vanasek
Speaker of the House of Representatives

The Honorable Jerome M. Hughes
President of the Senate

We, the undersigned conferees for H. F. No. 162, 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. 162 be further amended as follows:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1988, section 72A.20, subdivision 11, is amended to read:

Subd. 11. [APPLICATION TO CERTAIN SECTIONS.] Violating any provision of the following sections of this chapter not set forth in this section shall constitute an unfair method of competition and an unfair and deceptive act or practice: sections 72A.12, subdivisions 2, 3, and 4, 72A.16, subdivision 2, 72A.03 and 72A.04, 72A.08, subdi-

vision 1, as modified by section sections 72A.08, subdivision 4, 72A.201, sections 2 to 17, and 65B.13.

Sec. 2. [72A.49] [SHORT TITLE.]

Sections 2 to 17 may be cited as the "Minnesota insurance fair information reporting act."

Sec. 3. [72A.491] [DEFINITIONS.]

Subdivision 1. [APPLICATION.] For the purposes of sections 2 to 17, the following terms shall have the meanings given to them.

Subd. 2. [ADVERSE UNDERWRITING DECISION.] "Adverse underwriting decision" means any of the following actions with respect to insurance transactions involving insurance coverage which is individually underwritten:

(1) denial, in whole or in part, of coverage which was requested in writing to the insurer;

(2) termination or reduction of insurance coverage or policy;

(3) failure of an insurance agent to apply for coverage with a specific insurer which the agent represents and which is specifically requested by an applicant;

(4) placement by an insurer or insurance agent of a risk with a residual market mechanism, an unauthorized insurer, or an insurer which specializes in substandard risks;

(5) charging a higher rate on the basis of information which differs from that which the applicant or policyholder furnished for property or casualty coverage;

(6) an offer to insure at higher than standard rates for life, health, or disability coverage; or

(7) the rescission of a policy.

Subd. 3. [AFFILIATE OR AFFILIATED.] "Affiliate" or "affiliated" means a person who directly, or indirectly through one or more intermediaries, controls, is controlled by, or is under common control with another person.

Subd. 4. [APPLICANT.] "Applicant" means any person who seeks to contract for insurance coverage from an insurer.

Subd. 5. [CONSUMER REPORT.] "Consumer report" means any written, oral, or other communication of information bearing on a person's credit worthiness, credit standing, credit capacity, character, general reputation, personal characteristics, or mode of living which is used or expected to be used in connection with an insurance transaction.

Subd. 6. [CONSUMER REPORTING AGENCY.] "Consumer reporting agency" means any person who:

(1) regularly engages, in whole or in part, in the practice of assembling or preparing consumer reports for a monetary fee;

(2) obtains information primarily from sources other than insurers; and

(3) furnishes consumer reports to other persons.

Subd. 7. [CONTROL.] "Control," "controlled by," or "under common control with" means the possession, direct or indirect, of the power to direct or cause the direction of the management and policies of a person, whether through the ownership of voting securities, by contract other than a commercial contract for goods or nonmanagement services, or otherwise, unless the power is the result of an official position with or corporate office held by the person.

Subd. 8. [HEALTH CARE INSTITUTION.] "Health care institution" means any facility or institution that is licensed to provide health care services to natural persons.

Subd. 9. [HEALTH PROFESSIONAL.] "Health professional" means any person licensed or certified to provide health care services to natural persons.

Subd. 10. [HEALTH RECORD INFORMATION.] "Health record information" means personal information which:

(1) relates to an individual's physical or mental condition, health history, or health treatment; and

(2) is obtained from a health professional or health care institution, from the individual, or from the individual's spouse, parent, legal guardian, or other person.

Subd. 11. [INDIVIDUAL.] "Individual" means any natural person who:

(1) in the case of property or casualty insurance is a past, present, or proposed named insured or certificate holder;

(2) in the case of life, health, or disability insurance is a past, present, or proposed principal insured or certificate holder;

(3) is a past, present, or proposed policy owner;

(4) is a past or present applicant;

(5) is a past or present claimant; or

(6) derived, derives, or is proposed to derive insurance coverage under an insurance policy or certificate subject to this act.

Subd. 12. [INSURANCE-SUPPORT ORGANIZATION.] (a) "Insurance-support organization" means any person who regularly engages, in whole or in part, in the practice of assembling or collecting information about persons for the primary purpose of providing the information to an insurer or insurance agent for insurance transactions, including:

(1) the furnishing of consumer reports or investigative consumer reports to an insurer or insurance agent for use in connection with an insurance transaction; and

(2) the collection of personal information from insurers, insurance agents, or other insurance-support organizations for the purpose of detecting or preventing fraud, material misrepresentation, or material nondisclosure in connection with insurance underwriting or insurance claim activity.

(b) Insurance-support organizations do not include insurance agents, government institutions, insurers, health care institutions, or health professionals.

Subd. 13. [INSURANCE TRANSACTION.] "Insurance transaction" means any transaction which involves:

(1) the determination of an individual's eligibility for an insurance coverage, benefit, or payment; or

(2) the servicing of an insurance application, policy, contract, or certificate.

Subd. 14. [INSURER.] "Insurer" means any insurance company, risk retention group as defined under section 60E.02, service plan corporation as defined under section 62C.02, health maintenance organization as defined under section 62D.02, fraternal benefit society regulated under chapter 64B, township mutual company regulated under chapter 67A, joint self-insurance plan or multiple employer trust regulated under chapter 60F, 62H, or section 471.617, subdivision 2, and persons administering a self-insurance

plan as defined under section 60A.23, subdivision 8, paragraph (2), clauses (a) and (d).

Subd. 15. [INSURER WHICH SPECIALIZES IN SUBSTANDARD RISKS.] "Insurer which specializes in substandard risks" means an insurer whose rates and market orientation are directed at risks other than preferred or standard risks.

Subd. 16. [INVESTIGATIVE CONSUMER REPORT.] "Investigative consumer report" means a consumer report or portion thereof in which information about a person's character, general reputation, personal characteristics, or mode of living is obtained through personal interviews with the person's neighbors, friends, associates, acquaintances, or others who may have knowledge concerning these items of information.

Subd. 17. [PERSONAL INFORMATION.] "Personal information" means any individually identifiable information gathered in connection with an insurance transaction from which judgments can be made about an individual's character, habits, avocations, finances, occupation, general reputation, credit, health, or any other personal characteristics. The term includes the individual's name and address and health record information, but does not include privileged information. "Personal information" does not include health information maintained by a health maintenance organization as defined under section 62D.02, subdivision 4, in its capacity as a health provider.

Subd. 18. [POLICYHOLDER.] "Policyholder" means any individual who is a present named insured, a present policyowner, or a present group certificate holder.

Subd. 19. [PRIVILEGED INFORMATION.] (a) "Privileged information" means any individually identifiable information that:

(1) relates to a claim for insurance benefits or a civil or criminal proceeding; or

(2) is collected in connection with or in reasonable anticipation of a claim for insurance benefits or civil or criminal proceeding.

(b) Information otherwise meeting the definition of privileged information under paragraph (a) shall be considered personal information if it is disclosed in violation of section 14.

Subd. 20. [RESIDUAL MARKET MECHANISM.] "Residual market mechanism" means an association, organization, or other entity created under the laws of this state for the purpose of providing insurance coverage to any person who is unable to obtain coverage through ordinary methods in the normal insurance markets.

Subd. 21. [TERMINATION OF INSURANCE COVERAGE OR POLICY.] “Termination of insurance coverage” or “termination of an insurance policy” means either a cancellation or nonrenewal of an insurance policy, in whole or in part, for any reason other than the failure to pay a premium as required by the policy.

Subd. 22. [UNAUTHORIZED INSURER.] “Unauthorized insurer” means an insurance company that has not been granted a certificate of authority by the commissioner to transact the business of insurance in this state.

Sec. 4. [72A.492] [SCOPE.]

Subdivision 1. [COVERED POLICIES.] The obligations imposed by sections 2 to 17 apply to insurers, insurance agents, and insurance-support organizations which:

(1) collect, receive, or maintain information in connection with insurance transactions which pertains to persons who are residents of this state; or

(2) engage in insurance transactions with applicants, individuals, or policyholders who are residents of this state.

Subd. 2. [COVERED PERSONS.] The rights granted by sections 2 to 17 extend to:

(1) a person who is a resident of this state and is the subject of information collected, received, or maintained in connection with an insurance transaction; and

(2) a person who is a resident of this state and engages in or seeks to engage in an insurance transaction.

Subd. 3. [EXCEPTIONS.] (a) Sections 2 to 17 do not apply to information collected from the public records of a governmental authority and maintained by an insurance company or its representatives for the purpose of insuring the title to real property located in this state.

(b) Nothing in sections 2 to 17 gives a patient access to the health records pertaining to the patient maintained by the patient's health provider, or gives the patient the right to alter or amend those health records unless otherwise provided by law.

(c) Sections 2 to 17 do not apply to any insurance transactions involving property and casualty insurance primarily for business or professional needs.

Sec. 5. [72A.493] [OBTAINING INFORMATION BY IMPROPER MEANS.]

An insurer, insurance agent, or insurance-support organization must not obtain information or authorize another person to obtain information in connection with an insurance transaction by:

- (1) pretending to be someone he or she is not;
- (2) pretending to represent a person he or she is not in fact representing;
- (3) misrepresenting the true purpose of the interview; or
- (4) refusing to identify himself or herself upon request.

Sec. 6. [72A.494] [NOTICE.]

Subdivision 1. [REQUIRED.] Each insurer or insurance agent shall provide a notice relating to information practices to each applicant or policyholder in the manner and at the time required by this section.

Subd. 2. [EXEMPTION.] A notice is not required to be provided under this section for:

- (1) a group policy or contract that is not individually underwritten; or
- (2) a renewal, reinstatement, or a change in benefits for a policy or contract if no personal information is to be collected other than from the applicant or policyholder, or from public records.

Subd. 3. [TIMING.] (a) In the case of an application for insurance coverage, the notice must be provided to the applicant or policyholder no later than the time application is made for the coverage, renewal, reinstatement, or change in benefits.

(b) If personal information is to be collected only from the applicant or from public records, the notice may be provided at the time of delivery of the policy or the certificate.

Subd. 4. [CONTENT OF NOTICE.] The notice required by this section must be in writing and state:

- (1) whether personal information may be collected from persons other than the individual or individuals proposed for coverage;

(2) the types of personal information that may be collected and the types of sources and investigative techniques that may be used to collect the information;

(3) the types of disclosures of personal information that may be made under section 13 and the circumstances under which the disclosures may be made without prior authorization; except that only those circumstances which occur with such frequency as to indicate a general business practice must be described;

(4) a description of the rights established under sections 9 and 10 and the manner in which those rights may be exercised; and

(5) that information obtained from a report prepared by an insurance-support organization may be retained by the insurance-support organization and disclosed to other persons.

Subd. 5. [ABBREVIATED NOTICE.] In lieu of the notice required under subdivision 4, the insurer or insurance agent may provide an abbreviated notice informing the applicant or policyholder that:

(1) personal information may be collected from persons other than the person or persons proposed for coverage;

(2) the information collected by the insurer or insurance agent may in certain circumstances be disclosed to third parties without authorization;

(3) the person has a right to see their personal records and correct personal information collected; and

(4) the person will be furnished the detailed notice required under subdivision 4 upon request.

Subd. 6. [OTHER COMPANIES OR AGENCIES ACTING ON ITS BEHALF.] The obligations imposed by this section upon an insurer or insurance agent may be satisfied by another insurer or insurance agent authorized to act on its behalf.

Sec. 7. [72A.495] [MARKETING AND RESEARCH SURVEYS.]

An insurer or insurance agent shall clearly specify any questions designed to obtain information solely for marketing or research purposes from an individual in connection with an insurance transaction, and state that responses to the questions are not required to obtain coverage.

Sec. 8. [72A.496] [INVESTIGATIVE CONSUMER REPORTS.]

Subdivision 1. [NOTICE.] An insurer, insurance agent, or insurance-support organization must not prepare or request an investigative consumer report about an individual in connection with an insurance transaction involving an application for insurance, a policy renewal, a policy reinstatement, or a change in insurance benefits, unless the insurer or insurance agent informs the person:

(1) that the individual may request to be interviewed in connection with the preparation of the investigative consumer report; and

(2) that, upon a request pursuant to section 9, the individual is entitled to receive a copy of the investigative consumer report.

Subd. 2. [REPORTS PREPARED BY INSURERS.] If an investigative consumer report is to be prepared by an insurer or insurance agent, the insurer or insurance agent shall institute reasonable procedures to conduct a personal interview requested by an individual.

Subd. 3. [REPORTS PREPARED BY INSURANCE-SUPPORT ORGANIZATIONS.] If an investigative consumer report is to be prepared by an insurance-support organization, the insurer or insurance agent desiring the report shall inform the insurance-support organization whether a personal interview has been requested by the individual. The insurance-support organization shall institute reasonable procedures for conducting an interview, if requested.

Sec. 9. [72A.497] [ACCESS TO PERSONAL INFORMATION.]

Subdivision 1. [REQUEST.] (a) If an individual, after proper identification, submits a written request to an insurer, insurance agent, or insurance-support organization for access to personal information about the individual, the insurer, insurance agent, or insurance-support organization shall within 30 business days from the date the request is received:

(1) inform the individual of the nature and substance of the personal information that they possess in writing, by telephone, or by other oral communication, whichever the insurer, insurance agent, or insurance-support organization elects;

(2) permit the individual to see and copy, in person, the personal information pertaining to that person;

(3) permit the individual to obtain by mail a copy of the entire personal information or a reasonably described portion thereof, whichever the individual requests;

(4) disclose to the individual the identity of those persons to whom

the insurer, insurance agent, or insurance-support organization has disclosed the personal information within two years prior to the request; and

(5) provide the individual with a summary of the procedures by which the person may request correction, amendment, or deletion of personal information, as provided under section 10.

(b) If the personal information is in coded form, an accurate translation in plain language must be provided in writing.

(c) If credit information is requested which federal law prohibits an insurer to disclose, the insurer must disclose that the individual has the right to receive the credit information from the credit reporting agency. The insurer must disclose the name, address, and telephone number of the credit reporting agency that supplied the insurer with the credit information.

Subd. 2. [SOURCE.] Any personal information collected must specifically identify the source of the information.

Subd. 3. [HEALTH RECORDS.] (a) Health record information requested under subdivision 1 which has been supplied by a health care institution or a health professional must provide the identity of the health professional or health care institution which supplied the information. The health record information must be provided either directly to the individual or to a health professional designated by the person who is licensed to provide health care with respect to the condition to which the information relates, whichever the individual elects. If the information is provided to a designated health professional, the insurer, insurance agent, or insurance-support organization shall notify the person, at the time of the disclosure, that the information has been provided to the health professional.

(b) If a health professional or a health care institution has provided health information to an insurer, insurance-support organization, or insurance agent that the health professional or health care institution has determined and indicates in writing that the release of the health record information is detrimental to the physical or mental health of the person, or is likely to cause the individual to inflict self harm or to harm another, the insurer, insurance agent, or insurance-support organization may provide that information directly to the individual only with the approval of the health professional with treatment responsibility for the condition to which the information relates. If approval is not obtained, the information must be provided to the health professional designated by the individual.

(c) Nothing in this section may reduce or affect a patient's rights under section 144.335.

Subd. 4. [FEE.] An insurer, insurance agent, or insurance-support organization may charge a reasonable fee, not to exceed the actual costs, to copy information provided under this section. If an individual is requesting information as a result of an adverse underwriting decision, the insurer, insurance agent, or insurance-support organization must provide the information free of any charge.

Subd. 5. [OTHER COMPANIES OR AGENTS ACTING ON ITS BEHALF.] The obligations imposed by this section upon an insurer or insurance agent may be satisfied by another insurer or insurance agent authorized to act on its behalf. With respect to the copying and disclosure of personal information under a request under subdivision 1, an insurer, insurance agent, or insurance-support organization may make arrangements with an insurance-support organization or a consumer reporting agency to copy and disclose personal information on its behalf.

Subd. 6. [PRIVILEGED INFORMATION.] The rights granted under this section and section 10 do not extend to privileged information.

Sec. 10. [72A.498] [CORRECTION, AMENDMENT, OR DELETION OF PERSONAL INFORMATION.]

Subdivision 1. [PROCEDURE.] Within 30 business days from the date of receipt of a written request from an individual to correct, amend, or delete any personal information about the person within its possession, an insurer, insurance agent, or insurance-support organization shall either:

(1) correct, amend, or delete the portion of the personal information in dispute; or

(2) notify the individual of its refusal to make the correction, amendment, or deletion, the reasons for the refusal, and the person's right to file a statement as provided in subdivision 3, and the individual's right to appeal to the commissioner under subdivision 5.

Subd. 2. [NOTICE.] If the insurer, insurance agent, or insurance-support organization corrects, amends, or deletes disputed personal information upon request of an individual or as ordered by the commissioner, the insurer, insurance agent, or insurance-support organization shall notify the person in writing and provide the correction, amendment, or fact of deletion to:

(1) any person specifically designated by the individual who may have within the preceding two years received the personal information;

(2) any insurance-support organization whose primary source of personal information is insurers, if the insurance-support organization has systematically received the personal information from the insurer within the preceding seven years, provided that the correction, amendment, or fact of deletion need not be provided to an insurance-support organization if the insurance-support organization no longer maintains personal information about the individual; and

(3) any insurance-support organization that provided the personal information that has been corrected, amended, or deleted.

Subd. 3. [STATEMENT.] If the insurer, insurance agent, or insurance-support organization refuses to correct, amend, or delete disputed personal information, the individual must be permitted to file with the insurer, insurance agent, or insurance-support organization a concise statement setting forth what the person thinks is the correct, relevant, or fair information and stating the reasons why the individual disagrees with the insurer's, insurance agent's, or insurance-support organization's refusal to correct, amend, or delete disputed personal information.

Subd. 4. [DISPUTED INFORMATION.] In the event an individual files a statement described in subdivision 3, the insurer, insurance agent, or insurance-support organization shall:

(1) file the statement with the disputed personal information and provide a means by which anyone reviewing the disputed personal information will be made aware of the individual's statement and have access to it;

(2) in any subsequent disclosure by the insurer, insurance agent, or insurance-support organization of the disputed personal information, clearly identify the matter or matters in dispute and provide the individual's statement along with the personal information being disclosed; and

(3) furnish the statement to the persons and in the manner specified in subdivision 2.

Subd. 5. [APPEAL.] (a) If an insurer, insurance-support organization, or insurance agent refuses to correct, amend, or delete disputed personal information, the individual may file an appeal with the commissioner.

(b) The commissioner may, after providing the insurer, insurance-support organization, or insurance agent an opportunity for a hearing, order the insurer, insurance-support organization, or insurance agent to amend, correct, or delete disputed personal information if the commissioner finds that the personal information kept

by the insurer, insurance-support organization, or insurance agent is in error. If the commissioner finds that the disputed personal information maintained by the insurer, insurance agent, or insurance-support organization is correct, the insurer, insurance agent, or insurance-support organization may delete from the individual's records any statement filed with them by that individual relating to the disputed information under subdivision 3.

Sec. 11. [72A.499] [REASONS FOR ADVERSE UNDERWRITING DECISIONS.]

Subdivision 1. [NOTICE AND INFORMATION.] In the event of an adverse underwriting decision, the insurer or insurance agent responsible for the decision shall provide in writing to the applicant, policyholder, or individual proposed for coverage:

(1) the specific reason or reasons for the adverse underwriting decision, a summary of the person's rights under sections 9 and 10, and that upon request the person may receive the specific items of personal information that support those reasons and the specific sources of the information; or

(2) the specific reason or reasons for the adverse underwriting decision, the specific items of personal and privileged information that support those reasons, the names and addresses of the sources that supplied the specific items of information specified, and a summary of the rights established under sections 9 and 10.

Subd. 2. [HEALTH REASONS.] If the specific reason for an adverse underwriting decision is based on health record information, the insurer may, in lieu of providing the specific reason to the individual under subdivision 1, provide the individual with the specific source of the adverse underwriting decision referring to the specific date, page, and line of the information received from a health professional or health care institution. If the insured has been informed of the condition indicated by their health provider and is unable to determine the reason for the adverse underwriting decision, then the insurer must provide the specific reason to the individual. The insurer must provide the specific reason for the adverse underwriting decision to a health professional designated by the individual, if requested either orally or in writing by the individual.

Subd. 3. [EXEMPTION.] (a) This section is not applicable to group policies or contracts, except for group policies that are individually underwritten. For group policies or contracts that are individually underwritten, the notice required under this section must be given to the individual or individuals in the group whose personal information resulted in the adverse underwriting decision.

(b) If a policy or contract is terminated on a class or statewide

basis, or an insurance coverage is declined solely because the coverage is unavailable on a class or statewide basis, the insurer or agent is not required to provide the notice required under this section provided that the applicant or policyholder is provided with the specific reason for the termination or declination of coverage.

Subd. 4. [PRIVILEGED INFORMATION.] (a) An insurer or insurance agent is not required to provide particular, specific items of privileged information under subdivision 1 if it has a reasonable suspicion, based upon that specific information, that the applicant, policyholder, or person proposed for coverage has engaged in criminal activity, fraud, material misrepresentation, or material nondisclosure. If an insurer or insurance agent does not provide the specific items of information because the information is privileged under this subdivision, the insurer or insurance agent must notify the applicant, policyholder, or individual proposed for coverage that the specific items of information are privileged and of the person's right to appeal to the commissioner under this subdivision.

(b) If a person is not provided with the specific items of information relating to an adverse underwriting decision because the information is privileged under this subdivision, the person may request that the commissioner review the information. The commissioner may then order the insurer or insurance agent to supply the privileged information to the commissioner. If the commissioner determines that the information is not privileged under this subdivision, the commissioner shall order the insurer or insurance agent to provide the information to the applicant, policyholder, or person proposed for coverage.

Subd. 5. [HEALTH RECORDS INFORMATION.] Specific items of health record information supplied by a health care institution or health professional, and the identity of the health professional or health care institution that supplied the information, must be disclosed in the manner required under section 9, subdivision 3.

Subd. 6. [OTHER COMPANIES OR AGENTS ACTING ON THEIR BEHALF.] The obligations imposed by this section upon an insurer or insurance agent may be satisfied by another insurer or insurance agent authorized to act on its behalf.

Sec. 12. [72A.50] [PREVIOUS ADVERSE UNDERWRITING DECISIONS.]

Subdivision 1. [ADDITIONAL INFORMATION REQUIRED.] An insurer, insurance agent, or insurance-support organization must not seek information in connection with an insurance transaction concerning any previous adverse underwriting decision experienced by a person, or any previous insurance coverage obtained by a person through a residual market mechanism, unless the inquiry also requests the reasons for the previous adverse underwriting

decision or the reasons why insurance coverage was previously obtained through a residual market mechanism.

Subd. 2. [PROHIBITIONS.] An insurer or insurance agent may not base an adverse underwriting decision, in whole or in part, on:

(1) the fact of a previous adverse underwriting decision or the fact that a person previously obtained insurance coverage through a residual market mechanism, provided that an insurer or insurance agent may base an adverse underwriting decision on further information obtained from an insurer or insurance agent responsible for a previous adverse underwriting decision; or

(2) personal information received from an insurance-support organization whose primary source of information is insurers, provided that an insurer or insurance agent may base an adverse underwriting decision on further personal information obtained as the result of information received from the insurance-support organization.

Sec. 13. [72A.501] [DISCLOSURE AUTHORIZATION.]

Subdivision 1. [REQUIREMENT; CONTENT.] An authorization used by an insurer, insurance-support organization, or insurance agent to disclose or collect personal information must be in writing and must meet the following requirements:

(1) is written in plain language;

(2) is dated;

(3) specifies the types of persons authorized to disclose information about the person;

(4) specifies the nature of the information authorized to be disclosed;

(5) names the insurer or insurance agent and identifies by generic reference representatives of the insurer to whom the person is authorizing information to be disclosed;

(6) specifies the purposes for which the information is collected; and

(7) specifies the length of time the authorization remains valid.

Subd. 2. [APPLICATION.] (a) If the authorization is signed to collect information in connection with an application for a property and casualty insurance policy, a policy reinstatement, or a request for a change in benefits, the authorization must not remain valid for

longer than one year from the date the authorization is signed or the date the insurer grants or denies coverage, reinstatement, or change in benefits, whichever is sooner.

(b) If the authorization is signed to collect information in connection with an application for a life, disability, and health insurance policy or contract, reinstatement, or request for change in benefits, the authorization may not remain valid for longer than 26 months from the date the authorization is signed.

Subd. 3. [CLAIMS.] If the authorization is signed to collect information in connection with a claim for benefits under an insurance policy, the authorization must not remain valid for longer than:

(1) the term of coverage of the policy, if the claim is for a health insurance benefit; or

(2) the duration of the claim, if the claim is for a claim other than for a health insurance benefit.

Subd. 4. [AUTHORIZATION; NONINSURERS.] If an authorization is submitted to an insurer, insurance-support organization, or insurance agent by a person other than an insurer, insurance-support organization, or insurance agent, the authorization must be dated, signed by the person, and obtained one year or less before the date a disclosure is sought.

Sec. 14. [72A.502] [DISCLOSURE OF INFORMATION; LIMITATIONS AND CONDITIONS.]

Subdivision 1. [REQUIREMENT.] An insurer, insurance agent, or insurance-support organization must not disclose any personal or privileged information about a person collected or received in connection with an insurance transaction without the written authorization of that person except as authorized by this section. An insurer, insurance agent, or insurance-support organization must not collect personal information about a policyholder or an applicant not relating to a claim from sources other than public records without a written authorization from the person.

Subd. 2. [PREVENTION OF FRAUD.] Personal or privileged information may be disclosed without a written authorization to another person if the information is limited to that which is reasonably necessary to detect or prevent criminal activity, fraud, material misrepresentation, or material nondisclosure in connection with an insurance transaction, and that person agrees not to disclose the information further without the individual written authorization unless the further disclosure is otherwise permitted

by this section if made by an insurer, insurance agent, or insurance-support organization.

Subd. 3. [HEALTH CARE INSTITUTIONS AND PROFESSIONALS.] Personal or privileged information may be disclosed without a written authorization to a health care institution or health professional for the purpose of verifying insurance coverage benefits, informing a person of a health problem of which the person must not be aware, or conducting an operations or services audit, if the information is only disclosed that is reasonably necessary to accomplish the purposes under this subdivision.

Subd. 4. [REGULATORY AUTHORITY.] Personal or privileged information may be disclosed without a written authorization to an insurance regulatory authority.

Subd. 5. [OTHER GOVERNMENTAL AUTHORITIES.] Personal or privileged information may be disclosed without a written authorization to a law enforcement or other governmental authority if:

(1) the disclosure is to protect the interests of the insurer, agent, or insurance-support organization in preventing or prosecuting the perpetration of fraud upon it; or

(2) the insurer, agent, or insurance-support organization reasonably believes that illegal activities have been conducted by the individual.

Subd. 6. [OTHER LAWS OR ORDER.] Personal or privileged information may be disclosed without a written authorization if permitted or required by another law or in response to a facially valid administrative or judicial order, including a search warrant or subpoena.

Subd. 7. [ACTUARIAL AND RESEARCH STUDIES.] Personal or privileged information may be disclosed without a written authorization to conduct actuarial or research studies if:

(1) no individual may be identified in the actuarial or research report;

(2) materials allowing an individual to be identified are returned or destroyed as soon as they are no longer needed; and

(3) the actuarial or research organization agrees not to disclose the information unless the disclosure would otherwise be permitted by this section if made by an insurance company, agent, or insurance-support organization.

Subd. 8. [AFFILIATE COMPANIES.] Personal or privileged information may be disclosed without a written authorization to an affiliate whose only use of the information will be in connection with an audit of the insurer or agent or the marketing of an insurance product or service, provided the affiliate agrees to not disclose the information for any other purpose or to unaffiliated persons.

Subd. 9. [GROUP POLICYHOLDER.] Personal or privileged information may be disclosed with written authorization to a group policyholder only to report claims experience or conduct an audit of the insurer's or agent's operations or services, if the information disclosed is reasonably necessary for the group policyholder to conduct the review or audit.

Subd. 10. [GOVERNMENTAL LICENSING BOARD.] Personal or privileged information may be disclosed without a written authorization to a governmental professional licensing or regulatory board to review the service or conduct of a health care institution or health professional that the insurer has reason to believe has violated its licensing act or engaged in the unlawful practice of a licensed professional.

Subd. 11. [PROFESSIONAL PEER REVIEW.] Subject to the terms of a contract between an insurer and a health professional or health care institution, personal or privileged information may be disclosed without a written authorization to a professional peer review organization to review the service or conduct of a health care institution or health professional.

Subd. 12. [NOTICE.] Whenever an insurer, insurance agent, or insurance-support organization discloses personal or privileged information about a person that requires the written authorization of that person under this section, the insurer, insurance agent, or insurance-support organization shall notify that person in writing within ten days of the date the information was disclosed. The notification must specify the identity of the person to whom information was disclosed and the nature and substance of the information that was disclosed. A notice is not required to be given under this subdivision if an insurer is disclosing personal information for underwriting purposes to another insurer, or to an insurance-support organization if the person had signed an authorization authorizing the disclosure.

Sec. 15. [72A.503] [PRIVATE REMEDIES.]

Subdivision 1. [LIABILITY.] Any insurer, insurance agent, or insurance-support organization that violates sections 2 to 17 is liable to the aggrieved person for damages sustained by the person as a result of the violation. In addition, the court may award punitive damages in an amount not to exceed \$50,000.

Subd. 2. [EQUITABLE RELIEF.] Upon application by an aggrieved person, a court of competent jurisdiction may grant equitable and declaratory relief as necessary to enforce the requirements of sections 2 to 17.

Subd. 3. [COSTS.] In any successful action brought under this section, the costs of the action, including reasonable attorney fees as determined by the court, may be awarded in addition to any damages.

Sec. 16. [72A.504] [OBTAINING INFORMATION UNDER IMPROPER MEANS.]

Any person who knowingly and willfully obtains information about a person in violation of section 5 is subject to a fine not to exceed \$3,000 or imprisonment not to exceed one year, or both.

Sec. 17. [72A.505] [IMMUNITY.]

No cause of action in the nature of defamation, invasion of privacy, or negligence may arise against an insurer, insurance agent, or insurance-support organization for disclosing personal or privileged information required to be disclosed under sections 1 to 16, provided no immunity exists for disclosing false information with malice or willful intent to injure any person.

Sec. 18. [EFFECTIVE DATE.]

Sections 1 to 5 and 7 to 17 are effective August 1, 1989, and the rights granted under those sections are effective on that date, regardless of the date of the collection or receipt of the information which is subject to those sections. Section 6 is effective January 1, 1990. Insurers may use, until July 1, 1990, notices that are in substantial compliance with this section that have not been approved by the commissioner of commerce."

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

House Conferees: WESLEY J. SKOGLUND, JOHN BURGER AND HOWARD ORENSTEIN.

Senate Conferees: JOHN J. MARTY AND MICHAEL O. FREEMAN.

Skoglund moved that the report of the Conference Committee on H. F. No. 162 be adopted and that the bill be repassed as amended by the Conference Committee.

Hartle moved that the House refuse to adopt the Conference Committee report on H. F. No. 162, and that the bill be returned to the Conference Committee.

A roll call was requested and properly seconded.

The question was taken on the Hartle motion and the roll was called. There were 62 yeas and 67 nays as follows:

Those who voted in the affirmative were:

Abrams	Ferichs	Kinkel	Ozment	Steensma
Anderson, G.	Girard	Knickerbocker	Pauly	Sviggum
Bauerly	Gruenes	Limmer	Pellow	Swenson
Bennett	Gutknecht	Lynch	Pelowski	Tjornhom
Bertram	Hartle	Macklin	Poppenhagen	Tompkins
Blatz	Haukoos	Marsh	Redalen	Uphus
Boo	Heap	McDonald	Richter	Valento
Brown	Henry	McPherson	Runbeck	Waltman
Carlson, D.	Himle	Miller	Schafer	Williams
Dauner	Hugoson	Olsen, S.	Schreiber	Winter
Dorn	Jennings	Olson, E.	Seaberg	
Forsythe	Johnson, V.	Olson, K.	Simoneau	
Frederick	Kalis	Omann	Stanius	

Those who voted in the negative were:

Battaglia	Hasskamp	McEachern	Otis	Skoglund
Beard	Janezich	McGuire	Pappas	Solberg
Begich	Jaros	McLaughlin	Peterson	Trimble
Bishop	Jefferson	Milbert	Price	Tunheim
Burger	Johnson, A.	Morrison	Pugh	Vellenga
Carlson, L.	Johnson, R.	Munger	Quinn	Wagenius
Carruthers	Kahn	Murphy	Reding	Weaver
Clark	Kelly	Nelson, C.	Rest	Welle
Conway	Kelso	Nelson, K.	Rice	Wenzel
Cooper	Kostohryz	O'Connor	Rodosovich	Wynia
Dawkins	Krueger	Ogren	Rukavina	Spk. Vanasek
Dempsey	Lasley	Onnen	Sarna	
Dille	Lieder	Orenstein	Scheid	
Greenfield	Long	Osthoff	Segal	

The motion did not prevail.

The question recurred on the Skoglund motion that the report of the Conference Committee on H. F. No. 162 be adopted and that the bill be repassed as amended by the Conference Committee. The motion prevailed.

H. F. No. 162, A bill for an act relating to insurance; regulating insurance information collection, use, disclosure, access, and correction practices; requiring reasons for adverse underwriting decisions; amending Minnesota Statutes 1988, section 72A.20, subdivision 11; proposing coding for new law in Minnesota Statutes, chapter 72A.

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 128 yeas and 1 nay as follows:

Those who voted in the affirmative were:

Abrams	Girard	Lasley	Orenstein	Seaberg
Anderson, G.	Greenfield	Lieder	Osthoff	Segal
Battaglia	Gruenes	Limmer	Ostrom	Skoglund
Bauerly	Gutknecht	Long	Otis	Solberg
Beard	Hartle	Lynch	Ozment	Stanius
Begich	Hasskamp	Macklin	Pappas	Steensma
Bennett	Haukoos	Marsh	Pauly	Sviggum
Bishop	Heap	McDonald	Pellow	Swenson
Blatz	Henry	McEachern	Pelowski	Tjornhom
Boo	Himle	McGuire	Peterson	Tompkins
Brown	Hugoson	McLaughlin	Poppenhagen	Trimble
Burger	Jacobs	McPherson	Price	Tunheim
Carlson, D.	Janezich	Milbert	Pugh	Uphus
Carlson, L.	Jaros	Miller	Quinn	Valento
Carruthers	Jefferson	Morrison	Redalen	Vellenga
Clark	Jennings	Munger	Reding	Wagenius
Conway	Johnson, A.	Murphy	Rest	Waltman
Cooper	Johnson, R.	Nelson, C.	Rice	Weaver
Dauner	Johnson, V.	Nelson, K.	Richter	Welle
Dawkins	Kalis	O'Connor	Rodosovich	Wenzel
Dempsey	Kelly	Ogren	Rukavina	Williams
Dille	Kelso	Olsen, S.	Runbeck	Winter
Dorn	Kinkel	Olson, E.	Sarna	Wynia
Forsythe	Knickerbocker	Olson, K.	Schafer	Spk. Vanasek
Frederick	Kostohryz	Omann	Scheid	
Frerichs	Krueger	Onnen	Schreiber	

Those who voted in the negative were:

Bertram

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

CONFERENCE COMMITTEE REPORT ON H. F. NO. 266

A bill for an act relating to taxation; making technical corrections and clarifications and administrative changes to premium taxes, cigarette taxes, sales taxes, motor vehicle excise taxes, gasoline and special fuel taxes, liquor taxes, marijuana and controlled substances taxes, lodging taxes, and the metropolitan solid waste landfill fee; providing for unmarked vehicles for use by the department of revenue; providing for sales of unstamped tobacco products and liquor to Indian tribes; providing for cancellation of sales tax permits; repealing obsolete or unnecessary terms or provisions; repealing express company, freight line company, and sleeping car

company gross earnings taxes; requiring notification of the commissioner prior to selling cigarettes at prices other than those presumed by law; amending Minnesota Statutes 1988, sections 16B.54, subdivision 2; 41A.09, subdivision 3; 69.011, subdivision 2; 69.54; 168.012, subdivision 1; 270.06; 270.60; 296.18, subdivision 1; 297.041, subdivisions 1, 2, and 4; 297A.06; 297A.17; 297A.20; 297A.21, subdivision 4; 297A.25, subdivisions 11 and 16; 297B.01, subdivision 5; 297B.02, subdivision 1; 297B.03; 297D.13, by adding a subdivision; 325D.32, subdivision 10; 325D.37, by adding a subdivision; 469.190, subdivision 1; 473.843, subdivision 1; proposing coding for new law in Minnesota Statutes, chapters 297, 297A, 297C, and 297D; repealing Minnesota Statutes 1988, sections 295.01, subdivisions 4, 5, 6, 7, and 8; 295.15; 295.21; 295.23; 295.24; 295.25; 295.27; 295.29; 295.30; 295.31; 297A.19; 297A.253; 477A.018; and 477A.019.

May 16, 1989

The Honorable Robert E. Vanasek
Speaker of the House of Representatives

The Honorable Jerome M. Hughes
President of the Senate

We, the undersigned conferees for H. F. No. 266, 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. 266 be further amended as follows:

Delete everything after the enacting clause and insert:

“ARTICLE 1

DEPARTMENT SALES AND SPECIAL TAXES

Section 1. Minnesota Statutes 1988, section 16B.54, subdivision 2, is amended to read:

Subd. 2. [VEHICLES.] (a) [ACQUISITION FROM AGENCY; APPROPRIATION.] The commissioner may direct an agency to make a transfer of a passenger motor vehicle or truck presently assigned to it. The transfer must be made to the commissioner for use in the central motor pool. The commissioner shall reimburse an agency whose motor vehicles have been paid for with funds dedicated by the constitution for a special purpose and which are assigned to the central motor pool. The amount of reimbursement for a motor vehicle is its average wholesale price as determined from the

midwest edition of the national automobile dealers association official used car guide.

(b) [PURCHASE.] To the extent that funds are available for the purpose, the commissioner may purchase or otherwise acquire additional passenger motor vehicles and trucks necessary for the central motor pool. The title to all motor vehicles assigned to or purchased or acquired for the central motor pool is in the name of the department of administration.

(c) [TRANSFER AT AGENCY REQUEST.] On the request of an agency, the commissioner may transfer to the central motor pool any passenger motor vehicle or truck for the purpose of disposing of it. The department or agency transferring the vehicle or truck shall be paid for it from the motor pool revolving account established by this section in an amount equal to two-thirds of the average wholesale price of the vehicle or truck as determined from the midwest edition of the National Automobile Dealers Association official used car guide.

(d) [VEHICLES; MARKING.] The commissioner shall provide for the uniform marking of all motor vehicles. Motor vehicle colors must be selected from the regular color chart provided by the manufacturer each year. The commissioner may further provide by rule for the use of motor vehicles without uniform coloring or marking by the governor, the lieutenant governor, the division of criminal apprehension, arson investigators of the division of fire marshal in the department of public safety, financial institutions division of the department of commerce, the department of revenue, and the office of the attorney general.

Sec. 2. Minnesota Statutes 1988, section 41A.09, subdivision 3, is amended to read:

Subd. 3. [PAYMENTS FROM FUND.] The commissioner of revenue shall make cash payments from the development fund to producers of ethanol or agricultural grade alcohol, ~~for use as a motor fuel~~, located in the state. The amount of the payment for each producer's annual production shall be as follows:

(a) For each gallon of ethanol produced:

(1) For the period beginning July 1, 1986, and ending June 30, 1987, 15 cents per gallon;

(2) For the period beginning July 1, 1987, and ending June 30, 2000, 20 cents per gallon.

(b) For each gallon produced of agricultural grade alcohol of a purity of at least 50 percent but not more than 90 percent and

designed to be used in conjunction with diesel fuel in an engine's internal combustion process, for the period beginning July 1, 1987, and ending June 30, 2000, 11 cents per gallon.

The total payments from the fund to all producers may not exceed \$200,000 during the period beginning July 1, 1986, and ending June 30, 1987, and may not exceed \$10,000,000 in any fiscal year during the period beginning July 1, 1987, and ending June 30, 2000. Total payments to any producer from the fund in any fiscal year may not exceed \$3,000,000.

By the last day of October, January, April, and July, each producer shall file a claim for payment for production during the preceding three calendar months. The volume of production must be verified by a certified financial audit performed by an independent certified public accountant using generally accepted accounting procedures.

Payments shall be made November 15, February 15, May 15, and August 15.

Sec. 3. Minnesota Statutes 1988, section 69.011, subdivision 2, is amended to read:

Subd. 2. [QUALIFICATION FOR FIRE OR POLICE STATE AID.]

(a) In order to qualify to receive fire state aid, on or before ~~July 1~~ March 15, annually, in conjunction with the financial report required pursuant to section 69.051, the clerk of each municipality having a duly organized fire department as provided in subdivision 4, or the secretary of each independent nonprofit firefighting corporation having a subsidiary incorporated firefighters' relief association whichever is applicable, and the fire chief, shall jointly certify the existence of the municipal fire department or of the independent nonprofit firefighting corporation, whichever is applicable, which meets the minimum qualification requirements set forth in this subdivision, and the fire personnel and equipment of the municipal fire department or the independent nonprofit firefighting corporation as of the preceding December 31. Certification shall be made to the commissioner on a form prescribed by the commissioner and shall include any other facts the commissioner may require. The certification shall be made to the commissioner in duplicate. Each copy of the certificate shall be duly executed and deemed an original. The commissioner shall forward one copy to the auditor of the county wherein the fire department is located and retain one copy.

(b) On or before ~~July 1~~ March 15 annually the clerk of each municipality having a duly organized police department and having a duly incorporated relief association shall certify that fact to the county auditor of the county where the police department is located and to the commissioner on a form prescribed by the commissioner together with the other facts the commissioner or auditor may require.

On or before ~~July 1~~ March 15 annually, the clerk of each municipality and the auditor of each county employing one or more peace officers as defined in subdivision 1, clause (h), shall certify the number of such peace officers to the commissioner on forms prescribed by the commissioner. Credit for officers employed less than a full year shall be apportioned. Each full month of employment of a qualifying officer during the calendar year shall entitle the employing municipality or county to credit for 1/12 of the payment for employment of a peace officer for the entire year. For purposes of sections 69.011 to 69.051, employment of a peace officer shall commence when the peace officer is entered on the payroll of the respective municipal police department or county sheriff's department. No peace officer shall be included in the certification of the number of peace officers by more than one municipality or county for the same month.

Sec. 4. Minnesota Statutes 1988, section 69.54, is amended to read:

69.54 [SURCHARGE ON PREMIUMS TO RESTORE DEFICIENCY IN SPECIAL FUND.]

The commissioner shall order and direct a surcharge to be collected of two percent of the fire, lightning, and sprinkler leakage gross premiums, less return premiums, on all direct business received by any licensed foreign or domestic fire insurance company on property in this city of the first class, or by its agents for it, in cash or otherwise. This surcharge shall be due and payable from these companies to the state treasurer on March 31, May 31, and ~~November 30~~ October 31 of each calendar year, and if not paid within 30 days after these dates, a penalty of ten percent shall accrue thereon and thereafter this sum and penalty shall draw interest at the rate of one percent per month until paid.

Sec. 5. Minnesota Statutes 1988, section 168.012, subdivision 1, is amended to read:

Subdivision 1. (a) The following vehicles are exempt from the provisions of this chapter requiring payment of tax and registration fees, except as provided in subdivision 1c:

(1) vehicles owned and used solely in the transaction of official business by representatives of foreign powers, by the federal government, the state, or any political subdivision;

(2) vehicles owned and used exclusively by educational institutions and used solely in the transportation of pupils to and from such institutions;

(3) vehicles owned by nonprofit charities and used exclusively to transport handicapped persons for educational purposes;

(4) vehicles owned and used by honorary consul or consul general of foreign governments.

(b) Vehicles owned by the federal government, municipal fire apparatus, police patrols and ambulances, the general appearance of which is unmistakable, shall not be required to register or display number plates.

(c) Unmarked vehicles used in general police work, arson investigations, and passenger vehicles, station wagons, and buses owned or operated by the department of corrections shall be registered and shall display passenger vehicle classification license number plates which shall be furnished by the registrar at cost. Original and renewal applications for these passenger vehicle license plates authorized for use in general police work and for use by the department of corrections must be accompanied by a certification signed by the appropriate chief of police if issued to a police vehicle, the appropriate sheriff if issued to a sheriff's vehicle, the commissioner of corrections if issued to a department of corrections vehicle, or the appropriate officer in charge if issued to a vehicle of any other law enforcement agency. The certification must be on a form prescribed by the commissioner and state that the vehicle will be used exclusively for a purpose authorized by this section.

(d) Unmarked vehicles used by the department of revenue in conducting seizures or criminal investigations must be registered and must display passenger vehicle classification license number plates which shall be furnished at cost by the registrar. Original and renewal applications for these passenger vehicle license plates must be accompanied by a certification signed by the commissioner of revenue. The certification must be on a form prescribed by the commissioner and state that the vehicles will be used exclusively for the purposes authorized by this section.

(e) All other motor vehicles shall be registered and display tax exempt number plates which shall be furnished by the registrar at cost, except as provided in subdivision 1c. All vehicles required to display tax exempt number plates shall have the name of the state department or public subdivision on the vehicle plainly displayed on both sides thereof in letters not less than 2½ inches high and one-half inch wide; except that each state hospital and institution for the mentally ill and mentally retarded may have one vehicle without the required identification on the sides of the vehicle. Such identification shall be in a color giving contrast with that of the part of the vehicle on which it is placed and shall endure throughout the term of the registration. The identification must not be on a removable plate or placard and shall be kept clean and visible at all

times; except that a removable plate or placard may be utilized on vehicles leased or loaned to a political subdivision.

Sec. 6. Minnesota Statutes 1988, section 270.06, is amended to read:

270.06 [POWERS AND DUTIES.]

The commissioner of revenue shall:

(1) have and exercise general supervision over the administration of the assessment and taxation laws of the state, over assessors, town, county, and city boards of review and equalization, and all other assessing officers in the performance of their duties, to the end that all assessments of property be made relatively just and equal in compliance with the laws of the state;

(2) confer with, advise and give the necessary instructions and directions to local assessors and local boards of review throughout the state as to their duties under the laws of the state;

(3) direct proceedings, actions, and prosecutions to be instituted to enforce the laws relating to the liability and punishment of public officers and officers and agents of corporations for failure or negligence to comply with the provisions of the laws of this state governing returns of assessment and taxation of property, and cause complaints to be made against local assessors, members of boards of equalization, members of boards of review, or any other assessing or taxing officer, to the proper authority, for their removal from office for misconduct or negligence of duty;

(4) require county attorneys to assist in the commencement of prosecutions in actions or proceedings for removal, forfeiture and punishment for violation of the laws of this state in respect to the assessment and taxation of property in their respective districts or counties;

(5) require town, city, county, and other public officers to report information as to the assessment of property, collection of taxes received from licenses and other sources, and such other information as may be needful in the work of the department of revenue, in such form and upon such blanks as the commissioner may prescribe;

(6) require individuals, copartnerships, companies, associations, and corporations to furnish information concerning their capital, funded or other debt, current assets and liabilities, earnings, operating expenses, taxes, as well as all other statements now required by law for taxation purposes;

(7) summon witnesses to appear and give testimony, and to

produce books, records, papers and documents relating to any tax matter which the commissioner may have authority to investigate or determine. Provided, that any summons which does not identify the person or persons with respect to whose tax liability the summons is issued may be served only if (a) the summons relates to the investigation of a particular person or ascertainable group or class of persons, (b) there is a reasonable basis for believing that such person or group or class of persons may fail or may have failed to comply with any tax law administered by the commissioner, (c) the information sought to be obtained from the examination of the records (and the identity of the person or persons with respect to whose liability the summons is issued) is not readily available from other sources, (d) the summons is clear and specific as to the information sought to be obtained, and (e) the information sought to be obtained is limited solely to the scope of the investigation. Provided further that the party served with a summons which does not identify the person or persons with respect to whose tax liability the summons is issued shall have the right, within 20 days after service of the summons, to petition the district court for the judicial district in which lies the county in which that party is located for a determination as to whether the commissioner of revenue has complied with all the requirements in (a) to (e), and thus, whether the summons is enforceable. If no such petition is made by the party served within the time prescribed, the summons shall have the force and effect of a court order;

(8) To cause the deposition of witnesses residing within or without the state, or absent therefrom, to be taken, upon notice to the interested party, if any, in like manner that depositions of witnesses are taken in civil actions in the district court, in any matter which the commissioner may have authority to investigate or determine;

(9) investigate the tax laws of other states and countries and to formulate and submit to the legislature such legislation as the commissioner may deem expedient to prevent evasions of assessment and taxing laws, and secure just and equal taxation and improvement in the system of assessment and taxation in this state;

(10) consult and confer with the governor upon the subject of taxation, the administration of the laws in regard thereto, and the progress of the work of the department of revenue, and furnish the governor, from time to time, such assistance and information as the governor may require relating to tax matters;

(11) transmit to the governor, on or before the third Monday in December of each even-numbered year, and to each member of the legislature, on or before November 15 of each even numbered year, the report of the department of revenue for the preceding years, showing all the taxable property in the state and the value of the same, in tabulated form;

(12) inquire into the methods of assessment and taxation and ascertain whether the assessors faithfully discharge their duties, particularly as to their compliance with the laws requiring the assessment of all property not exempt from taxation;

(13) exercise and perform such further powers and duties as may be required or imposed upon the commissioner of revenue by law;

(14) promulgate rules having the force and effect of law, for the administration and enforcement of the property tax;

(15) execute and administer any agreement with the secretary of the treasury of the United States regarding the exchange of information and administration of the tax laws of both the United States and the state of Minnesota;

(16) administer and enforce the provisions of sections ~~325.64 to 325.76~~ 325D.30 to 325D.42, the Minnesota unfair cigarette sales act; and

(17) authorize the use of unmarked motor vehicles to conduct seizures or criminal investigations pursuant to the commissioner's authority.

Sec. 7. Minnesota Statutes 1988, section 270.60, is amended to read:

270.60 [TAX REFUND AGREEMENTS WITH INDIANS.]

The commissioner of revenue is authorized to enter into a tax refund agreement with the governing body of any Sioux or Chippewa reservation in Minnesota. The agreement may provide for a mutually agreed upon amount as a refund to the governing body of any sales or excise tax paid by the Indian residents of a reservation into the state treasury, or for an amount which measures the economic value of an agreement by the council to pay the equivalent of the state sales tax on items included in the sales tax base but exempt on the reservation, notwithstanding any other law which limits the refundment of taxes.

The commissioner of revenue is also authorized to enter into a tax refund agreement with the governing body of any federally recognized Indian reservation in Minnesota, for refund of a mutually agreed upon amount of the cigarette taxes collected from sales on reservations or trust lands of an Indian tribe to the established governing body of the tribe having jurisdiction over the reservation or trust land on which the sale is made.

There is annually appropriated from the general fund to the

commissioner of revenue the amounts necessary to make the refunds provided in this section.

Sec. 8. Minnesota Statutes 1988, section 296.18, subdivision 1, is amended to read:

Subdivision 1. [GASOLINE OR SPECIAL FUEL USED IN OTHER THAN MOTOR VEHICLES.] Any person who shall buy and use gasoline for a qualifying purpose other than use in motor vehicles, snowmobiles, or motorboats, or special fuel for a qualifying purpose other than use in licensed motor vehicles, and who shall have paid the Minnesota excise tax directly or indirectly through the amount of the tax being included in the price of the gasoline or special fuel, or otherwise, shall be reimbursed and repaid the amount of the tax paid upon filing with the commissioner a signed claim in writing in the form and containing the information the commissioner shall require and accompanied by the original invoice thereof. By signing any such claim which is false or fraudulent, the applicant shall be subject to the penalties provided in this section for knowingly making a false claim. The claim shall set forth the total amount of the gasoline so purchased and used by the applicant other than in motor vehicles, or special fuel so purchased and used by the applicant other than in licensed motor vehicles, and shall state when and for what purpose it was used. When a claim contains an error in computation or preparation, the commissioner is authorized to adjust the claim in accordance with the evidence shown on the claim or other information available to the commissioner. The commissioner, on being satisfied that the claimant is entitled to the payments, shall approve the claim and transmit it to the commissioner of finance. No repayment shall be made unless the claim and invoice shall be filed with the commissioner within one year from the date of the purchase. The postmark on the envelope in which the claim is mailed shall determine the date of filing. The words "gasoline" or "special fuel" as used in this subdivision do not include aviation gasoline or special fuel for aircraft. Gasoline or special fuel bought and used for a "qualifying purpose" means:

(1) Gasoline or special fuel used in carrying on a trade or business, used on a farm situated in Minnesota, and used for a farming purpose. "Farm" and "farming purpose" have the meanings given them in section 6420(c)(2), (3), and (4) of the Internal Revenue Code of 1954 1986, as amended through December 31, 1983 1988.

(2) Gasoline or special fuel used for off-highway business use. "Off-highway business use" means any use by a person in that person's trade, business, or activity for the production of income. "Off-highway business use" does not include use as a fuel in a motor vehicle which, at the time of use, is registered or is required to be registered for highway use under the laws of any state or foreign country.

(3) Gasoline or special fuel placed in the fuel tanks of new motor vehicles, manufactured in Minnesota, and shipped by interstate carrier to destinations in other states or foreign countries.

Sec. 9. Minnesota Statutes 1988, section 297.041, subdivision 1, is amended to read:

Subdivision 1. [WHOLESALEERS.] ~~Any~~ A wholesaler who furnishes a surety bond in a sum satisfactory to the commissioner ~~shall be permitted to~~ may set aside, without affixing the stamps required by this chapter, that the part of the wholesaler's stock necessary for the conduct of business in making to make sales to the established governing body of any an Indian tribe recognized by the United States Department of Interior without paying the tax required by this chapter. The unstamped stock shall be kept separate and apart from stamped stock. Every wholesaler shall, at the time of When shipping or delivering any of the unstamped stock to an Indian tribal organization, the wholesaler shall make a true duplicate invoice which shall. The invoice must show the complete details of the sale or delivery and shall transmit. The wholesaler must send the duplicate to the commissioner not later than the 18th day of the following calendar month. Failure If the wholesaler fails to comply with the requirements of this section shall cause, the commissioner to shall revoke the permission granted to the wholesaler to maintain keep a stock of unstamped goods which may be unstamped.

Sec. 10. Minnesota Statutes 1988, section 297.041, subdivision 2, is amended to read:

Subd. 2. [RETAILERS.] Retailers who are Indian tribal organizations may ~~maintain~~ keep unstamped stock intended for sale to qualified purchasers.

Sec. 11. Minnesota Statutes 1988, section 297.041, subdivision 4, is amended to read:

Subd. 4. [SALES TO NONQUALIFIED BUYERS.] ~~Any~~ A retailer who sells or otherwise disposes of ~~any~~ unstamped cigarettes other than to a qualified purchaser shall collect from the buyer or transferee the tax imposed by section 297.02, subdivision 1, and remit the tax to the department of revenue at the same time and manner as required by section 297.07. ~~In the event If the retailer fails to collect the tax from the buyer or transferee, or fails to remit the tax, the retailer shall be is personally responsible for the tax and the commissioner may seize any cigarettes destined to be delivered to the retailer. The cigarettes so seized shall be considered contraband and be subject to the procedures outlined in section 297.08, subdivision 3. The proceeds of the sale of any such the cigarettes may, after deducting all costs and expenses, be applied to any tax liability owed by the retailer after deducting all costs and expenses.~~

The provisions of This section shall does not relieve the buyer or possessor of unstamped cigarettes from personal liability for the tax.

Sec. 12. [297.335] [SALES TO INDIAN TRIBES.]

Subdivision 1. [WHOLESALEERS.] A wholesaler may set aside the part of the wholesaler's stock necessary to make sales to the established governing body of an Indian tribe recognized by the United States Department of the Interior without paying the tax required by this chapter. When shipping or delivering untaxed stock to an Indian tribal organization, the wholesaler shall make a true duplicate invoice. The invoice must show the complete details of the sale or delivery. The wholesaler must send the duplicate to the commissioner not later than the 18th day of the following calendar month. If the wholesaler fails to comply with this section, the commissioner shall revoke the permission granted to the wholesaler to keep a stock of untaxed goods.

Subd. 2. [RETAILERS.] Retailers who are Indian tribal organizations may keep untaxed stock intended for sale to qualified purchasers.

Subd. 3. [QUALIFIED PURCHASERS.] A qualified purchaser of untaxed tobacco means only an enrolled member of the Indian tribe offering the tobacco for sale.

Subd. 4. [SALES TO NONQUALIFIED BUYERS.] A retailer who sells or otherwise disposes of untaxed tobacco other than to a qualified purchaser shall collect from the buyer or transferee the tax imposed by this chapter and remit the tax to the department of revenue at the same time and manner as required by this chapter. If the retailer fails to collect the tax from the buyer or transferee, or fails to remit the tax, the retailer is personally responsible for the tax, and the commissioner may seize any tobacco destined to be delivered to the retailer. The procedures for seized contraband outlined in section 297.08, subdivision 3, apply to the seized tobacco. The proceeds of the sale of the tobacco may be applied to any tax liability owed by the retailer after deducting all costs and expenses.

This section does not relieve the buyer or possessor of untaxed tobacco from personal liability for the tax.

Sec. 13. Minnesota Statutes 1988, section 297A.06, is amended to read:

297A.06 [PERMIT.]

After compliance with sections 297A.04 and 297A.28, when security is required, the commissioner shall issue to each applicant a separate permit for each place of business within Minnesota. A

permit shall be valid until canceled or revoked but shall not be assignable and shall be valid only for the person in whose name it is issued and for the transaction of business at the place designated therein. It shall at all times be conspicuously displayed at the place for which issued.

Sec. 14. [297A:065] [CANCELLATION OF PERMITS.]

The commissioner may cancel a permit when one of the following conditions occurs:

(1) the permit holder has not filed a sales or use tax return for one year or more;

(2) the permit holder has not reported any sales or use tax liability on the permit holder's returns for two or more years; or

(3) the permit holder requests cancellation of the permit.

Sec. 15. Minnesota Statutes 1988, section 297A.17, is amended to read:

297A.17 [TAX TO BE COLLECTED; STATUS AS DEBT.]

The use tax required to be collected by the retailer constitutes a debt owed by the retailer to Minnesota and shall be a debt from the purchaser to the retailer recoverable at law in the same manner as other debts. A retailer who does not maintain a place of business within this state, as defined in section 297A.21, subdivision 1, shall not be indebted to Minnesota for amounts of use tax which it was required to collect but did not collect unless the retailer knew or had been advised by the commissioner of its obligation to collect the use tax.

Sec. 16. Minnesota Statutes 1988, section 297A.20, is amended to read:

297A.20 [VIOLATIONS.]

Any person violating sections section 297A.16; or 297A.18 ; or 297A.19 shall be guilty of a misdemeanor.

Sec. 17. Minnesota Statutes 1988, section 297A.21, subdivision 4, is amended to read:

Subd. 4. [REQUIRED REGISTRATION BY OUT-OF-STATE RETAILER NOT MAINTAINING PLACE OF BUSINESS IN MINNESOTA.] (a) A retailer making retail sales from outside this state to a destination within this state and not maintaining a place of business in this state shall file an application for a permit pursuant

to section 297A.04 and shall collect and remit the use tax as provided in section 297A.16 if the retailer engages in the regular or systematic soliciting of sales from potential customers in this state by:

(1) the distribution, by mail or otherwise, without regard to the state from which such distribution originated or in which the materials were prepared, of catalogs, periodicals, advertising flyers, or other written solicitations of business to customers in this state;

(2) display of advertisements on billboards or other outdoor advertising in this state;

(3) advertisements in newspapers published in this state;

(4) advertisements in trade journals or other periodicals the circulation of which is primarily within this state;

(5) advertisements in a Minnesota edition of a national or regional publication or a limited regional edition in which this state is included of a broader regional or national publication which are not placed in other geographically defined editions of the same issue of the same publication;

(6) advertisements in regional or national publications in an edition which is not by its contents geographically targeted to Minnesota but which is sold over the counter in Minnesota or by subscription to Minnesota residents;

(7) advertisements broadcast on a radio or television station located in Minnesota; or

(8) any other solicitation by telegraphy, telephone, computer data base, cable, optic, microwave, or other communication system.

(b) The location within or without this state of vendors independent of the retailer which provide products or services to the retailer in connection with its solicitation of customers within this state, including such products and services as creation of copy, printing, distribution, and recording, is not to be taken into account in the determination of whether the retailer is required to collect use tax. Paragraph (a) shall be construed without regard to the state from which distribution of the materials originated or in which they were prepared.

(c) A retailer not maintaining a place of business in this state shall be presumed, subject to rebuttal, to be engaged in regular solicitation within this state if it (1) engages in any of the activities in paragraph (a) and makes 100 or more retail sales from outside this state to destinations within this state during a period of 12

consecutive months, or (2) makes ten or more retail sales totaling more than \$100,000 from outside this state to destinations within this state during a period of 12 consecutive months.

(d) A retailer not maintaining a place of business in this state shall not be required to collect use tax imposed by any local governmental unit or subdivision of this state and this section does not subject such a retailer to any regulation of any local unit of government or subdivision of this state.

Sec. 18. Minnesota Statutes 1988, section 297A.25, subdivision 11, is amended to read:

Subd. 11. [SALES TO GOVERNMENT.] The gross receipts from all sales, including sales in which title is retained by a seller or a vendor or is assigned to a third party under an installment sale or lease purchase agreement under section 465.71, of tangible personal property to, and all storage, use or consumption of such property by, the United States and its agencies and instrumentalities, the University of Minnesota, state universities, community colleges, technical institutes, state academies, and political subdivisions of the state are exempt. Sales exempted by this subdivision include sales under section 297A.01, subdivision 3, clause (f). This exemption shall not apply to building, construction or reconstruction materials purchased by a contractor or a subcontractor as a part of a lump-sum contract or similar type of contract with a guaranteed maximum price covering both labor and materials for use in the construction, alteration or repair of a building or facility. This exemption does not apply to construction materials purchased by tax exempt entities or their contractors to be used in constructing buildings or facilities which will not be used principally by the tax exempt entities. This exemption does not apply to the leasing of a motor vehicle as defined in section 297B.01, subdivision 5, except for leases entered into by the United States or its agencies or instrumentalities.

Sec. 19. Minnesota Statutes 1988, section 297A.25, subdivision 16, is amended to read:

Subd. 16. [SALES TO NONPROFIT GROUPS.] The gross receipts from the sale of tangible personal property to, and the storage, use or other consumption of such property by, any corporation, society, association, foundation, or institution organized and operated exclusively for charitable, religious or educational purposes if the property purchased is to be used in the performance of charitable, religious or educational functions, or any senior citizen group or association of groups that in general limits membership to persons age 55 or older and is organized and operated exclusively for pleasure, recreation and other nonprofit purposes, no part of the net earnings of which inures to the benefit of any private shareholders, are exempt. Sales exempted by this subdivision include sales pur-

suant to section 297A.01, subdivision 3, clauses (d) and (f). This exemption shall not apply to building, construction or reconstruction materials purchased by a contractor or a subcontractor as a part of a lump-sum contract or similar type of contract with a guaranteed maximum price covering both labor and materials for use in the construction, alteration or repair of a building or facility. This exemption does not apply to construction materials purchased by tax exempt entities or their contractors to be used in constructing buildings or facilities which will not be used principally by the tax exempt entities. This exemption does not apply to the leasing of a motor vehicle as defined in section 297B.01, subdivision 5.

Sec. 20. Minnesota Statutes 1988, section 297B.01, subdivision 5, is amended to read:

Subd. 5. "Motor vehicle" means any self-propelled vehicle not operated exclusively upon railroad tracks and any vehicle propelled or drawn by a self-propelled vehicle and for which registration is required by chapter 168. Motor vehicle includes vehicles known as trackless trolleys which are propelled by electric power obtained from overhead trolley wires but not operated upon rails, except snowmobiles, for which registration is required by chapter 168, but not including and motor vehicles that are purchased on Indian reservations where the tribal council has entered into a motor vehicle excise tax refund agreement with the state of Minnesota. Motor vehicle does not include snowmobiles, house trailers, or manufactured homes.

Sec. 21. Minnesota Statutes 1988, section 297B.02, subdivision 1, is amended to read:

Subdivision 1. [RATE.] There is imposed an excise tax at the rate provided in chapter 297A on the purchase price of any motor vehicle purchased or acquired, either in or outside of the state of Minnesota, which is required to be registered under the laws of this state.

The excise tax is also imposed on the purchase price of motor vehicles purchased or acquired on Indian reservations when the tribal council has entered into a motor vehicle excise tax refund agreement with the state of Minnesota.

Sec. 22. Minnesota Statutes 1988, section 297B.025, subdivision 2, is amended to read:

Subd. 2. [COLLECTOR VEHICLES.] A passenger automobile that is currently registered under section 168.10, subdivisions subdivision 1a, 1b, 1c, and 1d, or 1h, shall be taxed under section 297B.02, subdivision 3, and the registrar shall not designate as an above-market automobile a passenger automobile registered under those subdivisions. If the vehicle is subsequently registered in another class not under section 168.10, subdivision 1a, 1b, 1c, 1d, or

It, within one year of the date of registration under those subdivisions, it shall be subject to the full excise tax imposed under subdivision 1.

Sec. 23. Minnesota Statutes 1988, section 297B.03, is amended to read:

297B.03 [EXEMPTIONS.]

There is specifically exempted from the provisions of this chapter and from computation of the amount of tax imposed by it the following:

(1) Purchase or use, including use under a lease purchase agreement or installment sales contract made pursuant to section 465.71, of any motor vehicle by the United States and its agencies and instrumentalities and by any person described in and subject to the conditions provided in section 297A.25, subdivision 18.

(2) Purchase or use of any motor vehicle by any person who was a resident of another state at the time of the purchase and who subsequently becomes a resident of Minnesota, provided the purchase occurred more than 60 days prior to the date such person began residing in the state of Minnesota.

(3) Purchase or use of any motor vehicle by any person making a valid election to be taxed under the provisions of section 297A.211.

(4) Purchase or use of any motor vehicle previously registered in the state of Minnesota by any corporation or partnership when such transfer constitutes a transfer within the meaning of section 351 or 721 of the Internal Revenue Code of 1954 1986, as amended through December 31, 1974 1988.

(5) Purchase or use of any vehicle owned by a resident of another state and leased to a Minnesota based private or for hire carrier for regular use in the transportation of persons or property in interstate commerce provided the vehicle is titled in the state of the owner or secured party, and that state does not impose a sales or motor vehicle excise tax on motor vehicles used in interstate commerce.

(6) Purchase or use of a motor vehicle by a private nonprofit or public educational institution for use as an instructional aid in automotive training programs operated by the institution.

Sec. 24. [297C.045] [SALES TO INDIAN TRIBES.]

Subdivision 1. [WHOLESALEERS.] A wholesaler may set aside the part of the wholesaler's stock necessary to make sales to the established governing body of an Indian tribe recognized by the

United States Department of the Interior, without paying the tax required by this chapter. When shipping or delivering untaxed stock to an Indian tribal organization, the wholesaler shall make a true duplicate invoice. The invoice must show the complete details of the sale or delivery. The wholesaler must send the duplicate to the commissioner not later than the 18th day of the following calendar month. If a wholesaler fails to comply with the requirements of this section, the commissioner shall revoke the permission granted to the wholesaler to keep a stock of untaxed goods.

Subd. 2. [RETAILERS.] Retailers who are Indian tribal organizations may keep untaxed stock intended for sale to qualified purchasers.

Subd. 3. [QUALIFIED PURCHASERS.] A qualified purchaser of untaxed liquor means only an enrolled member of the Indian tribe that is offering the liquor for sale.

Subd. 4. [SALES TO NONQUALIFIED BUYERS.] A retailer who sells or otherwise disposes of untaxed liquor other than to a qualified purchaser shall collect from the buyer or transferee the tax imposed by this chapter and remit the tax to the department of revenue at the same time and manner as required by this chapter. If the retailer fails to collect the tax from the buyer or transferee, or fails to remit the tax, the retailer is personally responsible for the tax and the commissioner may seize any liquor destined to be delivered to the retailer. The procedures outlined in section 297C.12 apply to the seized liquor. The proceeds of the sale of the liquor may be applied to any tax liability owed by the retailer after deducting all costs and expenses.

This section does not relieve the buyer or possessor of untaxed liquor from personal liability for the tax.

Sec. 25. [297D.085] [CREDIT FOR PREVIOUSLY PAID TAXES.]

If another state or local unit of government has previously assessed an excise tax on the marijuana or controlled substances, the taxpayer must pay the difference between the tax due under section 297D.08 and the tax previously paid. If the tax previously paid to the other state or local unit of government was equal to or greater than the tax due under section 297D.08, no tax is due. The burden is on the taxpayer to show that an excise tax on the marijuana or controlled substances has been paid to another state or local unit of government.

Sec. 26. Minnesota Statutes 1988, section 297D:13, is amended by adding a subdivision to read:

Subd. 4. [POSSESSION OF STAMPS.] A stamp denoting payment

of the tax imposed under this chapter must not be used against the taxpayer in a criminal proceeding, except that the stamp may be used against the taxpayer in connection with the administration or civil or criminal enforcement of the tax imposed under this chapter or any similar tax imposed by another state or local unit of government.

Sec. 27. Minnesota Statutes 1988, section 325D.32, subdivision 10, is amended to read:

Subd. 10. (a) "Cost to wholesaler" means the basic cost of the cigarettes, prior to deducting manufacturer's timely payment and stamping discounts and any other discounts or rebates, plus the cost of doing business by the wholesaler, as defined in sections 325D.30 to 325D.42.

(b) The cost of doing business by the wholesaler is presumed to be four percent of the basic cost of the cigarettes, plus cartage to the retail outlet, if furnished or paid for by the wholesaler, in the absence of proof of a lesser or higher cost. Such cartage cost is presumed to be one-half of one percent of the basic cost of the cigarettes in the absence of proof of a lesser or higher cost.

(c) A wholesaler electing to sell cigarettes at a price other than that presumed by law must submit to the commissioner documentation substantiating the actual cost of the cigarettes before selling at actual cost. For purposes of this paragraph "actual cost" means basic cost as defined in subdivision 9 plus the wholesaler's cost of doing business. The commissioner shall review the documents submitted and, if necessary, request additional documentation to verify the accuracy of the cost computations. If, within 15 days of submission of the documentation, the commissioner has not notified the wholesaler of any deficiencies in the cost computations, the wholesaler may begin selling at actual cost. The cost computations are effective for a period of not more than 12 months beginning 15 days after submission of the documentation. Fifteen days before expiration of the 12-month period, the wholesaler must submit new cost documentation for review by the commissioner to continue selling at less than the price presumed by law. New cost documentation must also be submitted to the commissioner on the last day of a month in which the basic cost of cigarettes increases.

Sec. 28. Minnesota Statutes 1988, section 325D.37, is amended by adding a subdivision to read:

Subd. 3. Before selling cigarettes at a price set in good faith to meet competition, a wholesaler shall contact the commissioner to verify that a competitor has met the requirements of section 325D.32, subdivision 10, or that a competitor has contacted the commissioner under this subdivision in response to a wholesaler who has met the requirements of section 325D.32, subdivision 10.

Sec. 29. [325D.415] [CIGARETTE DISTRIBUTOR FEES.]

A cigarette distributor as defined in section 297.01, subdivision 7, shall pay to the commissioner an annual fee as follows:

(1) a fee of \$2,500 is due from those distributors whose annual cigarette tax collections exceed \$2,000,000; and

(2) a fee of \$1,200 is due from those distributors whose annual cigarette tax collections are \$2,000,000 or less.

The annual fee must be paid by December 31 of each year. If the fee is not paid when due, the commissioner shall revoke or refuse to issue or renew the license under chapter 297. The annual fee must be deposited into the general fund.

Sec. 30. Minnesota Statutes 1988, section 469.190, subdivision 1, is amended to read:

Subdivision 1. [AUTHORIZATION.] Notwithstanding section 477A.016 or any other law, a statutory or home rule charter city may by ordinance, and a town may by the affirmative vote of the electors at ~~its~~ the annual town meeting, or at a special town meeting, impose a tax of up to three percent on the gross receipts from the furnishing for consideration of lodging at a hotel, motel, rooming house, tourist court, or resort, other than the renting or leasing of it for a continuous period of 30 days or more. A statutory or home rule charter city may by ordinance impose the tax authorized under this subdivision on the camping site receipts of a municipal campground.

Sec. 31. Minnesota Statutes 1988, section 473.843, subdivision 1, is amended to read:

Subdivision 1. [AMOUNT OF FEE; APPLICATION.] The operator of a mixed municipal solid waste disposal facility in the metropolitan area shall pay a fee on solid waste accepted and disposed at the facility as follows:

(a) A facility that weighs the waste that it accepts must pay a fee of 50 cents per cubic yard based on equivalent cubic yards of waste accepted at the entrance of the facility.

(b) A facility that does not weigh the waste but that measures the volume of the waste that it accepts must pay a fee of 50 cents per cubic yard of waste accepted at the entrance of the facility. This fee and the tipping fee must be calculated on the same basis.

(c) Waste residue from energy and resource recovery facilities at which solid waste is processed for the purpose of extracting, reducing, converting to energy, or otherwise separating and preparing

solid waste for reuse is exempt from one-half of the amount of fee imposed by this subdivision if there is at least an 85 percent volume reduction in the solid waste processed. To qualify for exemption under this clause, waste residue must be brought to a disposal facility separately. The commissioner of revenue, with the advice and assistance of the agency, shall prescribe procedures for determining the amount of waste residue qualifying for exemption.

Sec. 32. [CONTINUATION OF EFFECT.]

The repeal of Minnesota Statutes, sections 477A.018 and 477A.019, in this act shall be deemed to be a part of a repeal and reenactment under Laws 1987, chapter 291, with the effect provided in Minnesota Statutes, section 645.37. A statutory or home rule charter city, county, or town ordinance, resolution, or vote to impose a tax under Minnesota Statutes 1988, section 477A.018, may continue in effect under the terms of Minnesota Statutes, section 469.190.

Sec. 33. [COMPLEMENT INCREASE.]

The special taxes division of the department of revenue is given a complement of two positions for the enforcement of sections 325D.30 to 325D.42.

Sec. 34. [APPROPRIATION.]

\$91,500 is appropriated from the general fund to the commissioner of revenue for the fiscal year ending June 30, 1990, and \$91,500 for fiscal year ending June 30, 1991, for the enforcement of sections 325D.30 to 325D.42.

Sec. 35. [REPEALER.]

Minnesota Statutes 1988, sections 295.01, subdivisions 4, 5, 6, 7, and 8; 295.15; 295.21; 295.23; 295.24; 295.25; 295.27; 295.29; 295.30; 295.31; 297A.19; 297A.253; 477A.018; and 477A.019, are repealed.

Sec. 36. [EFFECTIVE DATE.]

Sections 1, 2, 4 to 6, 8 to 14, 16, 17, 20 to 25, 27 to 31, and 35 are effective July 1, 1989. Section 3 is effective for reports filed in 1990 and thereafter. Section 7 is retroactively effective July 1, 1988. Section 15 is retroactively effective June 1, 1988. Sections 18 and 19 are effective for all sales made after June 30, 1989, but do not apply to sales of tangible personal property made pursuant to bona fide written contracts that were enforceable before July 1, 1989, and delivery is made on or before December 31, 1989. Section 26 is retroactively effective August 1, 1986. Section 32 is retroactively effective August 1, 1987.

ARTICLE 2
PROPERTY TAXES

Section 1. Minnesota Statutes 1988, section 38.27, subdivision 1, is amended to read:

Subdivision 1. [TAX LEVY; POWERS.] ~~In~~ All counties, ~~in addition to all other powers now or hereafter by law conferred upon county boards, authority hereby is given~~ may annually to levy a tax upon all property subject to taxation and, ~~from time to time, to appropriate and pay over the proceeds of this tax, when collected, to any county agricultural society of its county which is a member of the state agricultural society, to assist the society in paying its financial obligations now or hereafter incurred, and for the construction, reconstruction, alteration, repairs and improvements of necessary buildings.~~

Sec. 2. Minnesota Statutes 1988, section 93.55, subdivision 4, is amended to read:

Subd. 4. After the mineral interest has forfeited to the state pursuant to this section, a person claiming an ownership interest before the forfeiture may recover the fair market value of the interest, either: (1) as an alternative claim raised in the hearing on the order to show cause why the mineral interest should not forfeit absolutely, with fair market value to be determined and paid as provided in this subdivision, or (2) in a separate action brought as follows. An action may be commenced within six years after the forfeiture entry of judgment under this section to determine the ownership and the fair market value of the mineral interests in the property both at the time of forfeiture and at the time of bringing the action. The action shall be brought in the manner provided in chapter 559, for an action to determine adverse claims, to the extent applicable. The person bringing the action shall serve notice of the action on the commissioner of natural resources in the same manner as is provided for service of notice of the action on a defendant. The commissioner may appear and contest the allegations of ownership and value in the same manner as a defendant in such actions. Persons determined by the court to be owners of the interests at the time of forfeiture to the state under this section may present to the commissioner of finance a verified claim for refund of the fair market value of the interest. A copy of the court's decree shall be attached to the claim. Thereupon the commissioner of finance shall refund to the claimant the fair market value at the time of forfeiture, which is the expiration of the period within which tax forfeiture would not have been possible had the mineral interest been properly and timely filed for record under section 93.52, or at the time of bringing the action, whichever is lesser, less any taxes, penalties, costs, and interest which could have been collected during the period following the forfeiture under this section, had the interest in minerals been

valued and assessed for tax purposes at the time of forfeiture under this section. There is appropriated from the general fund to the persons entitled to a refund an amount sufficient to pay the refund.

Sec. 3. Minnesota Statutes 1988, section 124.155, subdivision 2, is amended to read:

Subd. 2. [ADJUSTMENT TO AIDS.] The amount specified in subdivision 1 shall be used to adjust the following state aids and credits in the order listed:

- (a) general education aid authorized in section 124A.23;
- (b) secondary vocational aid authorized in section 124.573;
- (c) special education aid authorized in section 124.32;
- (d) secondary vocational aid for handicapped children authorized in section 124.574;
- (e) aid for pupils of limited English proficiency authorized in section 124.273;
- (f) transportation aid authorized in section 124.225;
- (g) community education programs aid authorized in section 124.271;
- (h) adult education aid authorized in section 124.26;
- (i) early childhood family education aid authorized in section 124.2711;
- (j) capital expenditure aid authorized in sections 124.244 and 124.245;
- (k) homestead credit under section 273.13 for taxes payable in 1989 and additional homestead and agricultural credit guarantee under section 273.1398, subdivision 5, for taxes payable in 1990 and thereafter;
- (l) agricultural credit under section 273.132 for taxes payable in 1989 and additional homestead and agricultural credit guarantee under section 273.1398, subdivision 5, for taxes payable in 1990 and thereafter; and
- (m) transition homestead and agricultural credit aid and disparity reduction aid authorized in section 273.1398, subdivision 2;

(n) attached machinery aid authorized in section 273.138, subdivision 3.

The commissioner of education shall schedule the timing of the adjustments to state aids and credits specified in subdivision 1, as close to the end of the fiscal year as possible.

Sec. 4. Minnesota Statutes 1988, section 124.2139, is amended to read:

124.2139 [REDUCTION OF PAYMENTS TO SCHOOL DISTRICTS.]

The commissioner of revenue shall reduce the homestead credit payments under section 273.13 for fiscal year 1990, and the sum of the additional homestead and agricultural credit guarantee, and transition homestead and agricultural credit aid, and disparity reduction aid payments under section 273.1398 for fiscal years 1991 and thereafter made to school districts by the product of:

(1) the district's fiscal year 1984 payroll for coordinated plan members of the public employees retirement association, times

(2) the difference between the employer contribution rate in effect prior to July 1, 1984, and the total employer contribution rate in effect after June 30, 1984.

Sec. 5. Minnesota Statutes 1988, section 256.82, subdivision 1, is amended to read:

Subdivision 1. [MONTHLY PAYMENTS.] For the period from January 1 to June 30, based upon estimates submitted by the county agency to the state agency, which shall state the estimated required expenditures for the succeeding month, upon the direction of the state agency payment shall be made monthly in advance by the state to the counties of all federal funds available for that purpose for such succeeding month, together with an amount of state funds equal to 85 percent of the difference between the total estimated cost and the federal funds so available for payments made except as provided for in section 256.017. Adjustment of any overestimate or underestimate made by any county shall be made upon the direction of the state agency in any succeeding month. Subsequent to July 1 of each year, the state agency shall reimburse the county agency for the funds expended during the January 1 to June 30 period except as provided for in section 256.017. For the period from July 1 to December 31 based upon the estimates submitted by the county agency to the state agency, which shall state the estimated required expenditures for the succeeding month, upon the direction of the state agency, payment shall be made monthly in advance by the state to the counties of all state and federal funds available for that

purpose for the succeeding month except as provided for in section 256.017. Payment shall be made on the basis of federal and state participation rates described in this subdivision. Adjustment of any overestimate or underestimate made by any county shall be made upon the direction of the state agency in any succeeding month. Effective January 1, 1989 1990, the state rate of participation shall be determined as a percentage that equals the difference between 100 percent and the percentage rate of federal financial participation.

Sec. 6. Minnesota Statutes 1988, section 256.871, subdivision 6, is amended to read:

Subd. 6. [ESTIMATED EXPENDITURES; PAYMENTS.] The county agency shall submit to the state agency an estimate of expenditures for each succeeding month in such form as required by the state agency. For the period from January 1 to June 30, payment shall be made monthly in advance by the state agency to the counties, of federal funds available for that purpose for each succeeding month, together with an amount of state funds equal to ten percent of the difference between the total estimated cost and the federal funds so available, except as provided for in section 256.017. Subsequent to July 1 of each year the state agency shall reimburse the county agency for the funds expended during the January 1 to June 30 period, except as provided for in section 256.017. For the period from July 1 to December 31, payment shall be made monthly in advance by the state agency to the counties, of all state and federal funds available for that purpose for the succeeding month, except as provided for in section 256.017. Payment shall be made on the basis of federal and state participation rates described in this subdivision. Effective January 1, 1989 1990, the state rate of participation shall be determined as a percentage that equals the difference between 100 percent and the percentage rate of federal financial participation. Adjustment of any overestimate or underestimate made by any county shall be made upon the direction of the state agency in any succeeding month.

Sec. 7. Minnesota Statutes 1988, section 256B.041, subdivision 5, is amended to read:

Subd. 5. [PAYMENT BY COUNTY TO STATE TREASURER.] If required by federal law or rules promulgated thereunder, or by authorized rule of the state agency, each county shall pay to the state treasurer the portion of medical assistance paid by the state for which it is responsible. Effective January 1, 1989 1990, the state rate of participation shall be determined as a percentage that equals the difference between 100 percent and the percentage rate of federal financial participation.

For the period from January 1 to June 30, the county shall advance ten percent of that portion of medical assistance costs not

met by federal funds, based upon estimates submitted by the state agency to the county agency, stating the estimated expenditures for the succeeding month. Upon the direction of the county agency, payment shall be made monthly by the county to the state for the estimated expenditures for each month. Adjustment of any overestimate or underestimate based on actual expenditures shall be made by the state agency by adjusting the estimate for any succeeding month. Subsequent to July 1 of each year, the state agency shall reimburse the county agency for the funds expended during the January 1 to June 30 period, except as provided for in section 256.017. For the period from July 1 to December 31, payments will be made by the state agency, except as provided for in section 256.017, and the county agency will be advised of the amounts paid monthly.

Sec. 8. Minnesota Statutes 1988, section 270.071, subdivision 6, is amended to read:

Subd. 6. (a) "Air commerce" means the transportation by aircraft of persons or property for hire in interstate, intrastate, or international transportation on regularly scheduled flights or on intermittent or irregularly timed flights by airline companies operating under authorization from the United States Civil Aeronautics Board Department of Transportation.

(b) "Air commerce" also includes but is not limited to an intermittent or irregularly timed flight, a flight arranged at the convenience of an airline and the person contracting for the transportation, or a charter flight. It includes an airline company making three or more flights in or out of Minnesota during a calendar year.

(c) "Air commerce" does not include casual transportation for hire by aircraft commonly owned and used for private airflight purposes if the person furnishing the transportation does not hold out to be engaged regularly in transportation for hire.

Sec. 9. Minnesota Statutes 1988, section 270.072, subdivision 2, is amended to read:

Subd. 2. [ASSESSMENT OF FLIGHT PROPERTY.] The flight property of all air carriers operating in Minnesota under a certificate of public convenience and necessity or under authorization from the United States Civil Aeronautics Board Department of Transportation shall be assessed annually by the commissioner in the manner prescribed by sections 270.071 to 270.079. Aircraft with a gross weight of less than 30,000 pounds and used on intermittent or irregularly timed flights shall be excluded from the provisions of sections 270.071 to 270.079.

Sec. 10. Minnesota Statutes 1988, section 270.072, subdivision 3, is amended to read:

Subd. 3. [REPORT BY AIRLINE COMPANY.] Every airline company engaged in air commerce in this state shall file with the commissioner on or before the time fixed by the commissioner a report under oath setting forth specifically the information prescribed by the commissioner to enable the commissioner to make the assessment required in sections 270.071 to 270.079, unless the commissioner determines that the airline company or person should be excluded from filing because its activities do not constitute air commerce as defined herein. A penalty of five percent of the tax being assessed is imposed on a late filing of the annual report. If the report is not filed within 30 days, an additional penalty of five percent of the assessed tax is imposed for each additional 30 days or fraction of 30 days until the return is filed. The penalty imposed under this section must not exceed the lesser of \$25,000 or 25 percent of the assessed tax.

Sec. 11. Minnesota Statutes 1988, section 270.075, subdivision 2, is amended to read:

Subd. 2. As soon as practicable and not later than December 1 next following the levy of the tax, the commissioner shall give actual notice to the airline company of the gross tax capacity and of the tax. The taxes imposed under sections 270.071 to 270.079 shall become due and payable on January 1 following the levy thereof. If any tax is not paid on the due date or, if an appeal is made pursuant to section 270.076, within 60 days after notice of an increased tax, a late payment penalty of ~~ten~~ five percent of the unpaid tax shall be assessed. If the tax remains unpaid for more than 30 days, an additional penalty of five percent of the unpaid tax is imposed for each additional 30 days or fraction of 30 days that the tax remains unpaid. The penalty imposed under this section must not exceed the lesser of \$25,000 or 25 percent of the unpaid tax. The unpaid tax and penalty shall bear interest at the rate specified in section 270.75 from the time such tax should have been paid until paid. All interest and penalties shall be added to the tax and collected as a part thereof.

Sec. 12. Minnesota Statutes 1988, section 270.12, subdivision 2, is amended to read:

Subd. 2. The board shall meet annually between July 15 and October 1 at the office of the commissioner of revenue and examine and compare the returns of the assessment of the property in the several counties, and equalize the same so that all the taxable property in the state shall be assessed at its market value, subject to the following rules:

(1) The board shall add to the aggregate valuation of the real property of every county, which the board believes to be valued below its market value in money, such percent as will bring the same to its market value in money;

(2) The board shall deduct from the aggregate valuation of the real property of every county, which the board believes to be valued above its market value in money, such percent as will reduce the same to its market value in money;

(3) If the board believes the valuation for a class or classes of the real property of any town or district in any county, or the valuation for a class or classes of the real property of any county not in towns or cities, should be raised or reduced, without raising or reducing the other real property of such county, or without raising or reducing it in the same ratio, the board may add to, or take from, the valuation of a class or classes in any one or more of such towns or cities, or of the property not in towns or cities, such percent as the board believes will raise or reduce the same to its market value in money;

(4) The board shall add to the aggregate valuation of any class of personal property of any county, town, or city, which the board believes to be valued below the market value thereof, such percent as will raise the same to its market value in money;

(5) The board shall take from the aggregate valuation of any class of personal property in any county, town or city, which the board believes to be valued above the market value thereof, such percent as will reduce the same to its market value in money;

(6) The board shall not reduce the aggregate valuation of all the property of the state, as returned by the several county auditors, more than one percent on the whole valuation thereof;

(7) When it would be of assistance in equalizing values the board may require any county auditor to furnish statements showing assessments of real and personal property of any individuals, firms, or corporations within the county. The board shall consider and equalize such assessments and may increase the assessment of individuals, firms, or corporations above the amount returned by the county board of equalization when it shall appear to be undervalued, first giving notice to such persons of the intention of the board so to do, which notice shall fix a time and place of hearing. The board shall not decrease any such assessment below the valuation placed by the county board of equalization; and

(8) In equalizing values pursuant to this section, the board shall utilize a 12-month assessment/sales ratio study conducted by the department of revenue containing only sales that occurred between October 1 of the year immediately preceding the previous year to September 30 of the previous year. The sales prices used in the study must be discounted for terms of financing. The board shall use the median ratio as the statistical measure of the level of assessment for any particular category of property.

Sec. 13. Minnesota Statutes 1988, section 270.485, is amended to read:

270.485 [SENIOR ACCREDITATION.]

The legislature finds that the property tax system would be enhanced by requiring that every county assessor and senior appraiser in the department of revenue's local government services division obtain senior accreditation from the state board of assessors. Every senior appraiser, including the department's regional representatives, by January 1, 1990, or in the case of a and every county assessor within one year two years of the first appointment under section 273.061, or by January 1, 1992, whichever is later, every county assessor and senior appraiser, including the department's regional representatives, must obtain senior accreditation from the state board of assessors. The board shall provide the necessary courses or training. If a department senior appraiser or regional representative fails to obtain senior accreditation by January 1, 1990, the failure shall be grounds for dismissal, disciplinary action, or corrective action. Except as provided in section 273.061, subdivision 2, paragraph (c), after December 30, 1989 1991, the commissioner must not approve the appointment of a county assessor who is not senior accredited by the state board of assessors. No employee hired by the commissioner as a senior appraiser or regional representative after June 30, 1987, shall attain permanent status until the employee obtains senior accreditation.

Sec. 14. Minnesota Statutes 1988, section 272.01, subdivision 2, is amended to read:

Subd. 2. (a) When any real or personal property which for any reason is exempt from ad valorem taxes, and taxes in lieu thereof, is leased, loaned, or otherwise made available and used by a private individual, association, or corporation in connection with a business conducted for profit, there shall be imposed a tax, for the privilege of so using or possessing such real or personal property, in the same amount and to the same extent as though the lessee or user was the owner of such property.

(b) The tax imposed by this subdivision shall not apply to (1) property leased or used by way of a concession in or relative to the use in whole or part of a public park, market, fairgrounds, port authority, economic development authority established under chapter 458C, municipal auditorium, municipal automobile parking facility, airport owned by a city, town, county, or group thereof but not the airports owned or operated by the metropolitan airports commission or a city of over 50,000 population or an airport authority therein, municipal museum or municipal stadium or (2) property constituting or used as a public pedestrian ramp or concourse in connection with a public airport or (3) property constituting or used as a passenger check-in area or ticket sale

counter, boarding area, or luggage claim area in connection with a public airport but not the airports owned or operated by the metropolitan airports commission or cities of over 50,000 population or an airport authority therein. Real estate owned by a municipality in connection with the operation of a public airport and leased or used for agricultural purposes shall not be exempt.

(c) Taxes imposed by this subdivision shall be due and payable as in the case of personal property taxes and such taxes shall be assessed to such lessees or users of real or personal property in the same manner as taxes assessed to owners of real or personal property, except that such taxes shall not become a lien against the property. When due, the taxes shall constitute a debt due from the lessee or user to the state, township, city, county and school district for which the taxes were assessed and shall be collected in the same manner as personal property taxes. If property subject to the tax imposed by this subdivision is leased or used jointly by two or more persons, each lessee or user shall be jointly and severally liable for payment of the tax.

(d) The tax on real property of the state or any of its political subdivisions that is leased by a private individual, association, or corporation and becomes taxable under this subdivision or other provision of law must be assessed and collected as a personal property assessment. The taxes do not become a lien against the real property.

Sec. 15. Minnesota Statutes 1988, section 272.02, subdivision 1, is amended to read:

Subdivision 1. All property described in this section to the extent herein limited shall be exempt from taxation:

- (1) all public burying grounds;
- (2) all public schoolhouses;
- (3) all public hospitals;
- (4) all academies, colleges, and universities, and all seminaries of learning;
- (5) all churches, church property, and houses of worship;
- (6) institutions of purely public charity except parcels of property containing structures and the structures described in section 273.13, subdivision 25, paragraph (c), clause clauses (1) or, (2), and (3), or paragraph (d), clause (2);
- (7) all public property exclusively used for any public purpose;

(8) except for the taxable personal property enumerated below, all personal property and the property described in section 272.03, subdivision 1, paragraphs (c) and (d), shall be exempt.

The following personal property shall be taxable:

(a) personal property which is part of an electric generating, transmission, or distribution system or a pipeline system transporting or distributing water, gas, crude oil, or petroleum products or mains and pipes used in the distribution of steam or hot or chilled water for heating or cooling buildings and structures;

(b) railroad docks and wharves which are part of the operating property of a railroad company as defined in section 270.80;

(c) personal property defined in section 272.03, subdivision 2, clause (3);

(d) leasehold or other personal property interests which are taxed pursuant to section 272.01, subdivision 2; 273.124, subdivision 7; or 273.19, subdivision 1; or any other law providing the property is taxable as if the lessee or user were the fee owner;

(e) manufactured homes and sectional structures; and

(f) flight property as defined in section 270.071.

(9) Real and personal property used primarily for the abatement and control of air, water, or land pollution to the extent that it is so used, other than real property used primarily as a solid waste disposal site.

Any taxpayer requesting exemption of all or a portion of any equipment or device, or part thereof, operated primarily for the control or abatement of air or water pollution shall file an application with the commissioner of revenue. The equipment or device shall meet standards, rules, or criteria prescribed by the Minnesota pollution control agency, and must be installed or operated in accordance with a permit or order issued by that agency. The Minnesota pollution control agency shall upon request of the commissioner furnish information or advice to the commissioner. On determining that property qualifies for exemption, the commissioner shall issue an order exempting the property from taxation. The equipment or device shall continue to be exempt from taxation as long as the permit issued by the Minnesota pollution control agency remains in effect.

(10) Wetlands. For purposes of this subdivision, "wetlands" means (1) land described in section 105.37, subdivision 15, or (2) land which is mostly under water, produces little if any income, and has no use

except for wildlife or water conservation purposes, provided it is preserved in its natural condition and drainage of it would be legal, feasible, and economically practical for the production of livestock, dairy animals, poultry, fruit, vegetables, forage and grains, except wild rice. "Wetlands" shall include adjacent land which is not suitable for agricultural purposes due to the presence of the wetlands. "Wetlands" shall not include woody swamps containing shrubs or trees, wet meadows, meandered water, streams, rivers, and floodplains or river bottoms. Exemption of wetlands from taxation pursuant to this section shall not grant the public any additional or greater right of access to the wetlands or diminish any right of ownership to the wetlands.

(11) Native prairie. The commissioner of the department of natural resources shall determine lands in the state which are native prairie and shall notify the county assessor of each county in which the lands are located. Pasture land used for livestock grazing purposes shall not be considered native prairie for the purposes of this clause and section 273.116. Upon receipt of an application for the exemption and credit provided in this clause and section 273.116 for lands for which the assessor has no determination from the commissioner of natural resources, the assessor shall refer the application to the commissioner of natural resources who shall determine within 30 days whether the land is native prairie and notify the county assessor of the decision. Exemption of native prairie pursuant to this clause shall not grant the public any additional or greater right of access to the native prairie or diminish any right of ownership to it.

(12) Property used in a continuous program to provide emergency shelter for victims of domestic abuse, provided the organization that owns and sponsors the shelter is exempt from federal income taxation pursuant to section 501(c)(3) of the Internal Revenue Code of 1986, as amended through December 31, 1986, notwithstanding the fact that the sponsoring organization receives funding under section 8 of the United States Housing Act of 1937, as amended.

(13) If approved by the governing body of the municipality in which the property is located, property not exceeding one acre which is owned and operated by any senior citizen group or association of groups that in general limits membership to persons age 55 or older and is organized and operated exclusively for pleasure, recreation, and other nonprofit purposes, no part of the net earnings of which inures to the benefit of any private shareholders; provided the property is used primarily as a clubhouse, meeting facility, or recreational facility by the group or association and the property is not used for residential purposes on either a temporary or permanent basis.

(14) To the extent provided by section 295.44, real and personal property used or to be used primarily for the production of hydro-

electric or hydromechanical power on a site owned by the state or a local governmental unit which is developed and operated pursuant to the provisions of section 105.482, subdivisions 1, 8, and 9.

(15) If approved by the governing body of the municipality in which the property is located, and if construction is commenced after June 30, 1983:

(a) a "direct satellite broadcasting facility" operated by a corporation licensed by the federal communications commission to provide direct satellite broadcasting services using direct broadcast satellites operating in the 12-ghz. band; and

(b) a "fixed satellite regional or national program service facility" operated by a corporation licensed by the federal communications commission to provide fixed satellite-transmitted regularly scheduled broadcasting services using satellites operating in the 6-ghz. band.

An exemption provided by paragraph (15) shall apply for a period not to exceed five years. When the facility no longer qualifies for exemption, it shall be placed on the assessment rolls as provided in subdivision 4. Before approving a tax exemption pursuant to this paragraph, the governing body of the municipality shall provide an opportunity to the members of the county board of commissioners of the county in which the facility is proposed to be located and the members of the school board of the school district in which the facility is proposed to be located to meet with the governing body. The governing body shall present to the members of those boards its estimate of the fiscal impact of the proposed property tax exemption. The tax exemption shall not be approved by the governing body until the county board of commissioners has presented its written comment on the proposal to the governing body, or 30 days has passed from the date of the transmittal by the governing body to the board of the information on the fiscal impact, whichever occurs first.

(16) Real and personal property owned and operated by a private, nonprofit corporation exempt from federal income taxation pursuant to United States Code, title 26, section 501(c)(3), primarily used in the generation and distribution of hot water for heating buildings and structures.

(17) Notwithstanding section 273.19, state lands that are leased from the department of natural resources under section 92.46.

(18) Electric power distribution lines and their attachments and appurtenances, that are used primarily for supplying electricity to farmers at retail.

(19) Transitional housing facilities. "Transitional housing facility" means a facility that meets the following requirements. (i) It provides temporary housing to parents and children who are receiving AFDC or parents of children who are temporarily in foster care. (ii) It has the purpose of reuniting families and enabling parents to obtain self-sufficiency, advance their education, get job training, or become employed in jobs that provide a living wage. (iii) It provides support services such as child care, work readiness training, and career development counseling; and a self-sufficiency program with periodic monitoring of each resident's progress in completing the program's goals. (iv) It provides services to a resident of the facility for at least six months but no longer than ~~one year~~ three years, except residents enrolled in an educational or vocational institution or job training program. These residents may receive services during the time they are enrolled but in no event longer than four years. (v) It is sponsored by an organization that has received a grant under either section 256.7365 for the biennium ending June 30, 1989, or section 462A.07, subdivision 15, for the biennium ending June 30, 1991, for the purposes of providing the services in items (i) to (iv). (vi) It is sponsored by an organization that is exempt from federal income tax under section 501(c)(3) of the Internal Revenue Code of 1986, as amended through December 31, 1987. This exemption applies notwithstanding the fact that the sponsoring organization receives financing by a direct federal loan or federally insured loan or a loan made by the Minnesota housing finance agency under the provisions of either Title II of the National Housing Act or the Minnesota housing finance agency law of 1971 or rules promulgated by the agency pursuant to it, and notwithstanding the fact that the sponsoring organization receives funding under Section 8 of the United States Housing Act of 1937, as amended.

Sec. 16. Minnesota Statutes 1988, section 273.01, is amended to read:

273.01 [LISTING AND ASSESSMENT, TIME.]

All real property subject to taxation shall be listed and at least one-fourth of the parcels listed shall be appraised each year with reference to their value on January 2 preceding the assessment so that each parcel shall be reappraised at maximum intervals of four years. All real property becoming taxable in any year shall be listed with reference to its value on January 2 of that year. Except as provided in section 274.01, subdivision 1, all real property assessments shall be completed two weeks prior to the date scheduled for the local board of review or equalization ~~and no valuations entered thereafter shall be of any force and effect. Any changes made by the assessor after this time must be fully documented and maintained in a file in the assessor's office and shall be available for review by any person. A copy of any changes made during this period shall be sent to the county board.~~ In the event a valuation and classification is not placed on any real property by the dates scheduled for the local board

of review or equalization the valuation and classification determined in the preceding assessment shall be continued in effect and the provisions of section 273.13 shall, in such case, not be applicable, except with respect to real estate which has been constructed since the previous assessment. Real property containing iron ore, the fee to which is owned by the state of Minnesota, shall, if leased by the state after January 2 in any year, be subject to assessment for that year on the value of any iron ore removed under said lease prior to January 2 of the following year. Personal property subject to taxation shall be listed and assessed annually with reference to its value on January 2; and, if acquired on that day, shall be listed by or for the person acquiring it.

Sec. 17. Minnesota Statutes 1988, section 273.061, subdivision 1, is amended to read:

Subdivision 1. [OFFICE CREATED; APPOINTMENT, QUALIFICATIONS.] Every county in this state shall have a county assessor. The county assessor shall be appointed by the board of county commissioners and shall be a resident of this state. The assessor shall be selected and appointed because of knowledge and training in the field of property taxation and appointment shall be approved by the commissioner of revenue before the same shall become effective. Upon receipt by the county commissioners of the commissioner of revenue's refusal to approve an appointment, the term of the appointee shall terminate at the end of that day. Notwithstanding any law to the contrary, a county assessor must have senior accreditation from the state board of assessors by January 1, ~~1990~~ 1992, or within ~~one year~~ two years of the assessor's first appointment under this section, whichever is later.

Sec. 18. Minnesota Statutes 1988, section 273.061, subdivision 2, is amended to read:

Subd. 2. [TERM; VACANCY.] (a) The terms of county assessors appointed under this section shall be four years. A new term shall begin on January 1 of every fourth year after 1973. When any vacancy in the office occurs, the board of county commissioners, within 30 days thereafter, shall fill the same by appointment for the remainder of the term, following the procedure prescribed in subdivision 1. The term of the county assessor may be terminated by the board of county commissioners at any time, on charges of inefficiency or neglect of duty by the commissioner of revenue. If the board of county commissioners does not intend to reappoint a county assessor who has been certified by the state board of assessors, the board shall present written notice to the county assessor not later than 90 days prior to the termination of the assessor's term, that it does not intend to reappoint the assessor. If written notice is not timely made, the county assessor will automatically be reappointed by the board of county commissioners.

The commissioner of revenue may recommend to the state board of assessors the nonrenewal, suspension, or revocation of an assessor's license as provided in sections 270.41 to 270.53.

(b) In the event of a vacancy in the office of county assessor, through death, resignation or other reasons, the deputy (or chief deputy, if more than one) shall perform the functions of the office. If there is no deputy, the county auditor shall designate a person to perform the duties of the office until an appointment is made as provided in clause (a). Such person shall perform the duties of the office for a period not exceeding 30 days during which the county board must appoint a county assessor. Such 30-day period may, however, be extended by written approval of the commissioner of revenue.

(c) In the case of the first appointment under paragraph (a) of a county assessor who is accredited but who does not have senior accreditation, an approval of the appointment by the commissioner shall be for a term of one year, provisional, provided that a county assessor appointed to a ~~one-year~~ provisional term under this paragraph must reapply to the commissioner at the end of the ~~one-year~~ provisional term. A provisional term may not exceed two years. The commissioner shall not approve the appointment for the remainder of the four-year term unless the assessor has obtained senior accreditation.

Sec. 19. Minnesota Statutes 1988, section 273.111, subdivision 3, is amended to read:

Subd. 3. (a) Real estate consisting of ten acres or more or a nursery or greenhouse qualifying for classification as class 1b, 2a, or 2b under section 273.13, subdivision 23, paragraph (d), shall be entitled to valuation and tax deferral under this section only if it is actively and exclusively devoted to agricultural use as defined in subdivision 6 and either:

(1) is the homestead of the owner, or of a surviving spouse, child, or sibling of the owner or is real estate which is farmed with the real estate which contains the homestead property; or

(2) has been in possession of the applicant, the applicant's spouse, parent, or sibling, or any combination thereof, for a period of at least seven years prior to application for benefits under the provisions of Laws 1969, chapter 1039, this section, or is real estate which is farmed with the real estate which qualifies under this clause and is within two townships or cities or combination thereof from the qualifying real estate; or

(3) is the homestead of a shareholder in a family farm corporation as defined in section 500.24, notwithstanding the fact that legal title

to the real estate may be held in the name of the family farm corporation; or

(4) is in the possession of a nursery or greenhouse or an entity owned by a proprietor, partnership, or corporation which also owns the nursery or greenhouse operations on the parcel or parcels.

(b) Valuation of real estate under this section is limited to parcels the ownership of which is in noncorporate entities except for:

(1) family farm corporations organized pursuant to section 500.24; and

(2) corporations that derive 80 percent or more of their gross receipts from the wholesale or retail sale of horticultural or nursery stock.

Corporate entities who previously qualified for tax deferment pursuant to this section and who continue to otherwise qualify under subdivisions 3 and 6 for a period of at least three years following the effective date of this section will not be required to make payment of the previously deferred taxes, notwithstanding the provisions of subdivision 9. Sale of the land prior to the expiration of the three-year period shall result in payment of deferred taxes as follows: sale within the first year requires payment of payable 1980, 1981, and 1982 deferred taxes; sale during the second year requires payment of payable 1981 and 1982 taxes deferred; and sale at any time during the third year will require payment of payable 1983 taxes deferred. Deferred taxes shall be paid even if the land qualifies pursuant to subdivision 11a. Special assessments are payable at the end of the three-year period or at time of sale, whichever comes first.

Sec. 20. Minnesota Statutes 1988, section 273.112, subdivision 3, is amended to read:

Subd. 3. Real estate shall be entitled to valuation and tax deferment under this section only if it is:

(a) actively and exclusively devoted to golf, skiing or archery or firearms range recreational use or uses and other recreational uses carried on at the establishment;

(b) five acres in size or more, except in the case of an archery or firearms range;

(c)(1) operated by private individuals and open to the public; or

(2) operated by firms or corporations for the benefit of employees or guests; or

(3) operated by private clubs having a membership of 50 or more, provided that the club does not discriminate in membership requirements or selection on the basis of sex; and

(d) made available, in the case of real estate devoted to golf, for use without discrimination on the basis of sex during the time when the facility is open to use by the public or by members, except that use for golf may be restricted on the basis of sex no more frequently than one, or part of one, weekend each calendar month for each sex and no more than two, or part of two, weekdays each week for each sex.

If a golf club membership allows use of golf course facilities by more than one adult per membership, the use must be equally available to all adults entitled to use of the golf course under the membership, except that use may be restricted on the basis of sex as permitted in this section. Memberships that permit play during restricted times may be allowed only if the restricted times apply to all adults using the membership. A golf club may not offer a membership or golfing privileges to a spouse of a member that provides greater or less access to the golf course than is provided to that person's spouse under the same or a separate membership in that club, except that the terms of a membership may provide that one spouse may have no right to use the golf course at any time while the other spouse may have either limited or unlimited access to the golf course.

A golf club may have or create an individual membership category which entitles a member for a reduced rate to play during restricted hours as established by the club. The club must have on record a written request by the member for such membership.

For purposes of this subdivision and subdivision 7a, discrimination means a pattern or course of conduct and not linked to an isolated incident.

Sec. 21. Minnesota Statutes 1988, section 273.112, is amended by adding a subdivision to read:

Subd. 6a. The commissioner of revenue shall develop and issue guidelines for qualification by private golf clubs under this section covering the access to and use of the golf course by members and other adults so as to be consistent with the purposes and terms of this section. The guidelines shall be mailed to the county attorney and assessor of each county not later than 60 days following the date of enactment of this act. Within 15 days of receipt of the guidelines from the commissioner, the assessor shall mail a copy of the guidelines to each golf club in the county. The guidelines issued under this subdivision are not subject to the administrative procedure act under chapter 14.

Sec. 22. Minnesota Statutes 1988, section 273.124, subdivision 1, is amended to read:

Subdivision 1. [GENERAL RULE.] Residential real estate that is occupied and used for the purposes of a homestead by its owner, who must be a Minnesota resident, is a residential homestead.

Agricultural land, as defined in section 273.13, subdivision 23, that is occupied and used as a homestead by its owner, who must be a Minnesota resident, is an agricultural homestead.

Dates for establishment of a homestead and homestead treatment provided to particular types of property are as provided in this section.

The assessor shall require proof, by affidavit or otherwise, of the facts upon which classification as a homestead may be determined.

For purposes of this section, homestead property shall include property which is used for purposes of the homestead but is separated from the homestead by a road, street, lot, waterway, or other similar intervening property. The term "used for purposes of the homestead" shall include but not be limited to uses for gardens, garages, or other outbuildings commonly associated with a homestead, but shall not include vacant land held primarily for future development. In order to receive homestead treatment for the noncontiguous property, the owner shall apply for it to the assessor by July 1 of the year when the treatment is initially sought. After initial qualification for the homestead treatment, additional applications for subsequent years are not required.

In the case of property owned by a married couple in joint tenancy or tenancy in common, the assessor must not deny homestead treatment in whole or in part if only one of the spouses is occupying the property and the other spouse is absent due to divorce or separation, or is a resident of a nursing home or a boarding care facility.

If an individual is purchasing property with the intent of claiming it as a homestead, and is required by the terms of the financing agreement to have one or both parents shown on the deed as coowners, the assessor shall allow a full homestead classification and extend full homestead credit. This provision only applies to first time purchasers, whether married or single, or to a person who had previously been married and is purchasing as a single individual for the first time. The application for homestead benefits must be on a form prescribed by the commissioner and must contain the data necessary for the assessor to determine if full homestead benefits are warranted.

Sec. 23. Minnesota Statutes 1988, section 273.124, subdivision 8, is amended to read:

Subd. 8. [HOMESTEAD OWNED BY FAMILY FARM CORPORATION OR PARTNERSHIP.] (a) Each family farm corporation and each partnership operating a family farm is entitled to class 1b under section 273.13, subdivision 22, paragraph (b), or class 2a assessment for one homestead occupied by a shareholder or partner thereof who is residing on the land and actively engaged in farming of the land owned by the corporation or partnership. Homestead treatment applies even if legal title to the property is in the name of the corporation or partnership and not in the name of the person residing on it. "Family farm corporation" and "family farm" have the meanings given in section 500.24, except that the number of allowable shareholders or partners under this subdivision shall not exceed 12.

(b) In addition to property specified in paragraph (a), any other residences owned by corporations or partnerships described in paragraph (a) which are located on agricultural land and occupied as homesteads by shareholders or partners who are actively engaged in farming on behalf of the corporation or partnership must also be assessed as class 2a property or as class 1b property under section 273.13, subdivision 22, paragraph (b), but the property eligible is limited to the residence itself and as much of the land surrounding the homestead, not exceeding one acre, as is reasonably necessary for the use of the dwelling as a home, and does not include any other structures that may be located on it.

Sec. 24. Minnesota Statutes 1988, section 273.124, subdivision 9, is amended to read:

Subd. 9. [HOMESTEAD ESTABLISHED AFTER ASSESSMENT DATE.] Any property that was not used for the purpose of a homestead on the assessment date, but which was used for the purpose of a homestead ~~on~~ by June 1 of a year, constitutes class 1 or class 2a to the extent of ~~one-half~~ of the valuation that would have been includable in class 1 or class 2a.

Any taxpayer meeting the requirements of this subdivision must notify the county assessor, or the assessor who has the powers of the county assessor pursuant to section 273.063, in writing, prior to June 15 of the year of occupancy in order to qualify under this subdivision.

The county assessor and the county auditor may make the necessary changes on their assessment and tax records to provide for proper homestead classification as provided in this subdivision.

The owner of any property qualifying under this subdivision, which has not been accorded the benefits of this subdivision,

regardless of whether or not the notification has been timely filed, may be entitled to receive homestead classification by proper application as provided in section 270.07 or 375.192.

The county assessor shall publish in a newspaper of general circulation within the county no later than June 1 of each year a notice informing the public of the requirement to file an application for homestead prior to June 15.

Sec. 25. Minnesota Statutes 1988, section 273.124, subdivision 12, is amended to read:

Subd. 12. [HOMESTEAD OF MEMBER OF UNITED STATES ARMED FORCES; PEACE CORPS; VISTA.] Real estate actually occupied and used for the purpose of a homestead by a member of the armed forces of the United States person, or by a member of that person's immediate family shall, notwithstanding the absence of the person, while on active duty with the armed forces of the United States or the family under such conditions, be classified as a homestead provided that absence of the owner is solely by reason of service in the armed forces, and that even though the person or family is absent if (1) the person or the person's family is absent solely because the person is on active duty with the armed forces of the United States, or is serving as a volunteer under the VISTA or Peace Corps program; (2) the owner intends to return as soon as discharged or relieved from service; and (3) the owner claims it as a homestead. Every A person who, for the purpose of obtaining or aiding another in obtaining any benefit under this subdivision, shall knowingly make makes or submit submits to any an assessor any an affidavit or other statement which that is false in any material matter shall be to obtain or aid another in obtaining a benefit under this subdivision is guilty of a felony.

Sec. 26. Minnesota Statutes 1988, section 273.124, subdivision 13, is amended to read:

Subd. 13. [SOCIAL SECURITY NUMBER REQUIRED FOR HOMESTEAD APPLICATION.] Every property owner applying for homestead classification must furnish to the county assessor that owner's social security or taxpayer identification number. If the social security or taxpayer identification number is not provided, the county assessor shall classify the property as nonhomestead. The social security numbers of the property owners are private data on individuals as defined by section 13.02, subdivision 12, but, notwithstanding that section, the private data may be disclosed to the commissioner of revenue.

At the request of the commissioner, each county must give the commissioner a list that includes the name and social security or taxpayer identification number of each property owner applying for homestead classification.

If, in comparing the lists supplied by the counties, the commissioner finds that a property owner is claiming more than one homestead, the commissioner shall notify the appropriate counties. Within 90 days of the notification, the county assessor shall investigate to determine if the homestead classification was properly claimed. If the property owner does not qualify, the county assessor shall notify the county auditor who will determine the amount of homestead benefits that had been improperly allowed. For the purpose of this section, "homestead benefits" means the tax reduction resulting from the classification as a homestead under section 273.13, the homestead credit under section 273.13 for taxes payable in 1989 and under section 273.1398 for taxes payable in 1990 and thereafter, the taconite homestead credit, and the supplemental homestead credit, and the tax reduction resulting from the agricultural credit under section 273.132 for taxes payable in 1989 and under section 273.1398 for taxes payable in 1990 and thereafter. The county auditor shall send a notice to the owners of the affected property, demanding reimbursement of the homestead benefits plus a penalty equal to 25 percent of the homestead benefits. The property owners may appeal the county's determination by filing a notice of appeal with the Minnesota tax court within 60 days of the date of the notice from the county.

If the amount of homestead benefits and penalty is not paid within 60 days, and if no appeal has been filed, the county auditor shall certify the amount to the succeeding year's tax list to be collected as part of the property taxes.

Any amount of homestead benefits recovered from the property owner must be transmitted to the commissioner by the end of each calendar quarter. Any amount recovered attributable to taconite homestead credit shall be transmitted to the St. Louis county auditor to be deposited in the taconite property tax relief account. The amount of penalty collected must be deposited in the county general fund.

The commissioner will provide suggested homestead applications to each county. If a property owner has applied for more than one homestead and the county assessors cannot determine which property should be classified as homestead, the county assessors will refer the information to the commissioner. The commissioner shall make the determination and notify the counties within 60 days.

In addition to lists of homestead properties, the commissioner may ask the counties to furnish lists of all properties and the record owners.

Sec. 27. Minnesota Statutes 1988, section 273.124, is amended by adding a subdivision to read:

Subd. 14. [AGRICULTURAL HOMESTEADS; SPECIAL PROVI-

SIONS.] (a) Real estate of less than ten acres that is the homestead of its owner must be classified as class 2a under section 273.13, subdivision 23, paragraph (a), if:

(1) the parcel on which the house is located is contiguous to agricultural land on at least two sides;

(2) its owner also owns a noncontiguous parcel of agricultural land that is at least 20 acres;

(3) the noncontiguous land is located not farther than two townships or cities, or a combination of townships or cities from the homestead; and

(4) the agricultural use value of the noncontiguous land and farm buildings is equal to at least 50 percent of the market value of the house, garage and one acre of land.

Homesteads initially classified as class 2a under the provisions of this subdivision shall remain classified as class 2a, irrespective of subsequent changes in the use of adjoining properties, as long as the homestead remains under the same ownership, the owner owns a noncontiguous parcel of agricultural land that is at least 20 acres, and the agricultural use value qualifies under clause (4).

(b) Noncontiguous land shall be included as part of a homestead under section 273.13, subdivision 23, paragraph (a), only if the homestead is classified as class 2a and the detached land is located in the same township or city, or not farther than two townships or cities or combination thereof from the homestead.

(c) Agricultural land used for purposes of a homestead and actively farmed by a person holding a vested remainder interest in it must be classified as a homestead under section 273.13, subdivision 23, paragraph (a). If agricultural land is classified class 2a, any other dwellings on the land used for purposes of a homestead by persons holding vested remainder interests who are actively engaged in farming the property, and up to one acre of the land surrounding each homestead and reasonably necessary for the use of the dwelling as a home, must also be assessed class 2a.

Sec. 28. Minnesota Statutes 1988, section 273.13, subdivision 22, is amended to read:

Subd. 22. [CLASS 1.] (a) Except as provided in subdivision 23, real estate which is residential and used for homestead purposes is class 1. The market value of class 1a property must be determined based upon the value of the house, garage, and land.

The first \$68,000 of market value of class 1a property has a net tax

capacity of one percent of its market value and a gross tax capacity of 2.17 percent of its market value. The market value of class 1a property that exceeds \$68,000 but does not exceed \$100,000 has a tax capacity of 2.5 percent of its market value. The market value of class 1a property that exceeds \$100,000 has a tax capacity of 3.3 percent of its market value.

(b) Class 1b property includes real estate or manufactured homes used for the purposes of a homestead by

(1) any blind person, if the blind person is the owner thereof or if the blind person and the blind person's spouse are the sole owners thereof; or

(2) any person, hereinafter referred to as "veteran," who:

(i) served in the active military or naval service of the United States; and

(ii) is entitled to compensation under the laws and regulations of the United States for permanent and total service-connected disability due to the loss, or loss of use, by reason of amputation, ankylosis, progressive muscular dystrophies, or paralysis, of both lower extremities, such as to preclude motion without the aid of braces, crutches, canes, or a wheelchair; and

(iii) with assistance by the administration of veterans affairs has acquired a special housing unit with special fixtures or movable facilities made necessary by the nature of the veteran's disability, or the surviving spouse of the deceased veteran for as long as the surviving spouse retains the special housing unit as a homestead; or

(3) any person who:

(i) is permanently and totally disabled and

(ii) receives 90 percent or more of total income from

(A) aid from any state as a result of that disability; or

(B) supplemental security income for the disabled; or

(C) workers' compensation based on a finding of total and permanent disability; or

(D) social security disability, including the amount of a disability insurance benefit which is converted to an old age insurance benefit and any subsequent cost of living increases; or

(E) aid under the Federal Railroad Retirement Act of 1937, United States Code Annotated, title 45, section 228b(a)5; or

(F) a pension from any local government retirement fund located in the state of Minnesota as a result of that disability; or

(iii) whose household income as defined in section 290A.03, subdivision 5, is 150 percent or less of the federal poverty level.

Property is classified and assessed pursuant to clause (1) only if the commissioner of jobs and training certifies to the assessor that the owner of the property satisfies the requirements of this subdivision. ~~The commissioner of jobs and training shall provide a copy of the certification to the commissioner of revenue.~~

Permanently and totally disabled for the purpose of this subdivision means a condition which is permanent in nature and totally incapacitates the person from working at an occupation which brings the person an income. The first \$32,000 market value of class 1b property has a net tax capacity of .4 percent of its market value and a gross tax capacity of .87 percent of its market value. The remaining market value of class 1b property has a gross or net tax capacity using the rates for class 1 or class 2a property, whichever is appropriate, of similar market value.

(c) Class 1c property is commercial use real property that abuts a lakeshore line and is devoted to temporary and seasonal residential occupancy for recreational purposes but not devoted to commercial purposes for more than 200 days in the year preceding the year of assessment, and that includes a portion used as a homestead by the owner. Class 1c property has a tax capacity of .9 percent of market value with the following limitation: the area of the property must not exceed 100 feet of lakeshore footage for each cabin or campsite located on the property up to a total of 800 feet and 500 feet in depth, measured away from the lakeshore.

(d) For taxes levied in 1988, payable in 1989 only, the tax to be paid on class 1a or class 1b property shall be reduced by 54 percent of the tax imposed on the first \$68,000 of market value. The amount of the reduction shall not exceed \$725.

Sec. 29. Minnesota Statutes 1988, section 273.13, subdivision 23, is amended to read:

Subd. 23. [CLASS 2.] (a) Class 2a property is agricultural land including any improvements that is homesteaded. The market value of the house and garage and immediately surrounding one acre of land that does not exceed \$65,000 has a net tax capacity of .805 percent of market value and a gross tax capacity of 1.75 percent of market value. The excess market value over \$65,000 has a tax

capacity of 2.2 percent. If the market value of the house, garage, and surrounding one acre of land is less than \$65,000, the value of the remaining land including improvements equal to the difference between \$65,000 and the market value of the house, garage, and surrounding one acre of land has a net tax capacity of 1.12 percent of market value and a gross tax capacity of 1.75 percent of market value for the first 320 acres of land and the remaining value over 320 acres has a net tax capacity of 1.295 percent of market value and a gross tax capacity of 1.75 percent of market value. The remaining value of class 2a property over the \$65,000 market value that does not exceed 320 acres has a net tax capacity of 1.44 percent of market value and a gross tax capacity of 2.25 percent of market value. The remaining property over the \$65,000 market value in excess of 320 acres has a net tax capacity of 1.665 percent of market value and a gross tax capacity of 2.25 percent of market value.

Nonecontiguous land shall constitute class 2a only if the homestead is classified as class 2a and the detached land is located in the same township or city or not farther than two townships or cities or combination thereof from the homestead.

Agricultural land used for purposes of a homestead and actively farmed by a person holding a vested remainder interest in it must be classified class 2a. If agricultural land is classified class 2a, any other dwellings on the land used for purposes of a homestead by persons holding vested remainder interests who are actively engaged in farming the property, and up to one acre of the land surrounding each homestead and reasonably necessary for the use of the dwelling as a home, must also be assessed class 2a and is entitled to the homestead credit.

For taxes levied in 1988, payable in 1989 only, the tax to be paid on class 2a property and class 1b property under section 273-13, subdivision 22, paragraph (b), used for agricultural purposes shall be reduced by 54 percent of the tax. The amount of the reduction shall not exceed \$725.

(b) Class 2b property is (1) real estate, rural in character and used exclusively for growing trees for timber, lumber, and wood and wood products; and (2) real estate that is nonhomestead agricultural land. Class 2b property has a net tax capacity of 1.665 percent of market value and a gross tax capacity of 2.25 percent of market value.

(c) Agricultural land as used in this section means contiguous acreage of ten acres or more, primarily used during the preceding year for agricultural purposes. Agricultural use may include pasture, timber, waste, unusable wild land, and land included in federal farm programs.

(d) Real estate of less than ten acres used principally for raising poultry, livestock, fruit, vegetables or other agricultural products,

including the breeding of fish for sale and consumption provided that it is located if the fish breeding occurs on land zoned for agricultural use, shall be considered as agricultural land, if it is not used primarily for residential purposes. The term "agricultural products" as used in the preceding sentence means any of the products identified in section 273.111, subdivision 6, clause (2). "Agricultural purposes" as used in this section means the raising or cultivation of agricultural products.

(e) If a parcel used for agricultural purposes is also used for commercial or industrial purposes, including but not limited to:

- (1) wholesale and retail sales;
- (2) processing of raw agricultural products or other goods;
- (3) warehousing or storage of processed goods; and
- (4) office facilities for the support of the activities enumerated in clauses (1), (2), and (3),

the assessor shall classify the part of the parcel used for agricultural purposes as class 1b, 2a, or 2b, whichever is appropriate, and the remainder in the class appropriate to its use. The grading, sorting, and packaging of raw agricultural products for first sale is considered an agricultural purpose. A greenhouse or other building where horticultural or nursery products are grown that is also used for the conduct of retail sales must be classified as agricultural if it is primarily used for the growing of horticultural or nursery products from seed, cuttings, or roots and occasionally as a showroom for the retail sale of those products. Use of a greenhouse or building only for the display of already grown horticultural or nursery products does not qualify as an agricultural purpose.

The assessor shall determine and list separately on the records the market value of the homestead dwelling and the one acre of land on which that dwelling is located. If any farm buildings or structures are located on this homesteaded acre of land, their market value shall not be included in this separate determination.

Sec. 30. Minnesota Statutes 1988, section 273.135, subdivision 2, is amended to read:

Subd. 2. For taxes payable in 1989 only, the amount of the reduction authorized by subdivision 1 shall be:

(a) In the case of property located within the boundaries of a municipality which meets the qualifications prescribed in section 273.134, 66 percent of the net tax up to the taconite breakpoint plus

a percentage equal to the homestead credit equivalency percentage of the net tax in excess of the taconite breakpoint, provided that the reduction shall not exceed the maximum amounts specified in clause (c), and shall not exceed an amount sufficient to reduce the effective tax rate on each parcel of property to 95 percent of the base year effective tax rate. In no case will the reduction for each homestead resulting from this credit be less than \$10.

(b) In the case of property located within the boundaries of a school district which qualifies as a tax relief area but which is outside the boundaries of a municipality which meets the qualifications prescribed in section 273.134, 57 percent of the net tax up to the taconite breakpoint plus a percentage equal to the homestead credit equivalency percentage of the net tax in excess of the taconite breakpoint, provided that the reduction shall not exceed the maximum amounts specified in clause (c), and shall not exceed an amount sufficient to reduce the effective tax rate on each parcel of property to 95 percent of the base year effective tax rate. In no case will the reduction for each homestead resulting from this credit be less than \$10.

(c)(1) The maximum reduction of the net tax up to the taconite breakpoint is \$225.40 on property described in clause (a) and \$200.10 on property described in clause (b), for taxes payable in 1985. These maximum amounts shall increase by \$15 times the quantity one minus the homestead credit equivalency percentage per year for taxes payable in 1986 and subsequent years.

(2) The total maximum reduction of the net tax on property described in clause (a) is \$490 for taxes payable in 1985. The total maximum reduction for the net tax on property described in clause (b) is \$435 for taxes payable in 1985. These maximum amounts shall increase by \$15 per year for taxes payable in 1986 and thereafter.

For the purposes of this subdivision, "net tax" means the tax on the property after deduction of any credit under section 273.13, subdivision 22 or 23, "taconite breakpoint" means the lowest possible net tax for a homestead qualifying for the maximum reduction pursuant to section 273.13, subdivision 22, rounded to the nearest whole dollar, "homestead credit equivalency percentage" means a percentage equal to the percentage reduction authorized in section 273.13, subdivision 22, "effective tax rate" means tax divided by the market value of the property, and the "base year effective tax rate" means the tax on the property after the application of the credits payable under section 273.13, subdivisions 22 and 23, and this section for taxes payable in 1988, divided by the market value of the property. A new parcel of property or a parcel with a current year classification that is different from its base year classification has the same base year effective tax rate as an equivalent homesteaded parcel.

Sec. 31. Minnesota Statutes 1988, section 273.1391, subdivision 2, is amended to read:

Subd. 2. For taxes payable in 1989 only, the amount of the reduction authorized by subdivision 1 shall be:

(a) In the case of property located within a school district which does not meet the qualifications of section 273.134 as a tax relief area, but which is located in a county with a population of less than 100,000 in which taconite is mined or quarried and wherein a school district is located which does meet the qualifications of a tax relief area, and provided that at least 90 percent of the area of the school district which does not meet the qualifications of section 273.134 lies within such county, 57 percent of the net tax up to the taconite breakpoint plus a percentage equal to the homestead credit equivalency percentage of the net tax in excess of the taconite breakpoint on qualified property located in the school district that does not meet the qualifications of section 273.134, provided that the amount of said reduction shall not exceed the maximum amounts specified in clause (c), and shall not exceed an amount sufficient to reduce the effective tax rate on each parcel of property to 95 percent of the base year effective tax rate. In no case will the reduction for each homestead resulting from this credit be less than \$10. The reduction provided by this clause shall only be applicable to property located within the boundaries of the county described therein.

(b) In the case of property located within a school district which does not meet the qualifications of section 273.134 as a tax relief area, but which is located in a school district in a county containing a city of the first class and a qualifying municipality, but not in a school district containing a city of the first class or adjacent to a school district containing a city of the first class unless the school district so adjacent contains a qualifying municipality, 57 percent of the net tax up to the taconite breakpoint plus a percentage equal to the homestead credit equivalency percentage of the net tax in excess of the taconite breakpoint, but not to exceed the maximums specified in clause (c), and shall not exceed an amount sufficient to reduce the effective tax rate on each parcel of property to 95 percent of the base year effective tax rate. In no case will the reduction for each homestead resulting from this credit be less than \$10.

(c)(1) The maximum reduction of the net tax up to the taconite breakpoint is \$200.10 for taxes payable in 1985. This maximum amount shall increase by \$15 multiplied by the quantity one minus the homestead credit equivalency percentage per year for taxes payable in 1986 and subsequent years.

(2) The total maximum reduction of the net tax is \$435 for taxes payable in 1985. This total maximum amount shall increase by \$15 per year for taxes payable in 1986 and thereafter.

For the purposes of this subdivision, "net tax" means the tax on the property after deduction of any credit under section 273.13, subdivision 22 or 23, "taconite breakpoint" means the lowest possible net tax for a homestead qualifying for the maximum reduction pursuant to section 273.13, subdivision 22, rounded to the nearest whole dollar, "homestead credit equivalency percentage" means a percentage equal to the percentage reduction authorized in section 273.13, subdivision 22, and "effective tax rate" means tax divided by the market value of the property, and the "base year effective tax rate" means the tax on the property after application of the credits payable under section 273.13, subdivisions 22 and 23, and this section for taxes payable in 1988, divided by the market value of the property. A new parcel with a current year classification that is different from its base year classification has the same base year effective tax rate as an equivalent homesteaded parcel.

Sec. 32. Minnesota Statutes 1988, section 273.1393, is amended to read:

273.1393 [COMPUTATION OF NET PROPERTY TAXES.]

Notwithstanding any other provisions to the contrary, "net" property taxes are determined by subtracting the credits in the order listed from the gross tax:

- (1) disaster credit as provided in section 273.123;
- (2) powerline credit as provided in section 273.42;
- (3) agricultural preserves credit as provided in section 473H.10;
- (4) enterprise zone credit as provided in section 469.171;
- (5) ~~state agricultural credit as provided in section 273.132~~ disparity reduction credit;
- (6) ~~state paid homestead~~ conservation tax credit as provided in section ~~273.13~~ 273.119;
- (7) taconite homestead credit as provided in section 273.135; and
- (8) supplemental homestead credit as provided in section 273.1391.

The combination of all property tax credits must not exceed the gross tax amount.

Sec. 33. Minnesota Statutes 1988, section 273.1398, subdivision 1, is amended to read:

Subdivision 1. [DEFINITIONS.] (a) In this section, the terms defined in this subdivision have the meanings given them.

(b) "Unique taxing jurisdiction" means the geographic area subject to the same set of tax capacity rates.

(c) "Gross tax capacity" means the product of the appropriate percentages of market value listed as gross tax capacities in section 273.13 and equalized market values. "Total gross tax capacity" means the gross tax capacities for all property within the unique taxing jurisdiction. The total gross tax capacity used shall be reduced by the sum of (1) the unique taxing jurisdiction's gross tax capacity of commercial industrial property as defined in section 473F.02, subdivision 3, multiplied by the ratio determined pursuant to section 473F.08, subdivision 6, for the municipality, as defined in section 473F.02, subdivision 8, in which the unique taxing jurisdiction is located and (2) the gross tax capacity of the captured value of tax increment financing districts as defined in section 469.177, subdivision 2. For purposes of determining the gross tax capacity of property referred to in clauses (1) and (2) for disparity reduction aid payable in 1989, the gross tax capacity before equalization shall equal the property's 1987 assessed value multiplied by 12 percent. Gross tax capacity cannot be less than zero.

(d) "Net tax capacity" means the product of the appropriate percentages of market value listed as net tax capacities in section 273.13 and equalized market values. "Total net tax capacity" means the net tax capacities for all property within the unique taxing jurisdiction. The total net tax capacity used shall be reduced by the sum of (1) the unique taxing jurisdiction's net tax capacity of commercial industrial property as defined in section 473F.02, subdivision 3, multiplied by the ratio determined pursuant to section 473F.08, subdivision 6, for the municipality, as defined in section 473F.02, subdivision 8, in which the unique taxing jurisdiction is located and (2) the net tax capacity of the captured value of tax increment financing districts as defined in section 469.177, subdivision 2. For purposes of determining the net tax capacity of property referred to in clauses (1) and (2), the net tax capacity before equalization shall equal the property's 1987 assessed value multiplied by 12 percent. Net tax capacity cannot be less than zero.

(e) "Equalized market values" are market values that have been equalized by dividing the assessor's estimated market value for the second year prior to that in which the aid is payable by the assessment sales ratios determined by class in the assessment sales ratio study conducted by the department of revenue pursuant to section 124.2131 in the second year prior to that in which the aid is payable. For computation of aids payable in 1989 only, if the aggregate assessment sales ratio is less than or equal to 92 percent, the assessment sales ratios by class shall be adjusted proportionally so that the aggregate ratio of the unequalized market values to the

equalized market values equals 92 percent; otherwise the equalized market values shall equal the unequalized market values divided by the assessment sales ratio.

(f) "Homestead effective rate" means the product of (i) 46 percent; (ii) 2.17 percent; and (iii) the total tax capacity rate for taxes payable in 1989 within a unique taxing jurisdiction multiplied by the 1988 aggregate assessment sales ratio. A sales ratio of .92 is used if the actual sales ratio is less than .92.

(g) For purposes of calculating the ~~transition~~ homestead and agricultural credit aid authorized pursuant to subdivision 2, the "subtraction factor" is the product of (i) a unique taxing jurisdiction's homestead effective rate; (ii) its net tax capacity; and (iii) 103.

(h) For purposes of calculating and allocating ~~transition~~ homestead and agricultural credit aid authorized pursuant to subdivision 2 and the disparity reduction aid authorized in subdivision 3, "gross taxes levied on all properties" or "gross taxes" means the total gross taxes levied on all properties except that levied on the captured value of tax increment districts as defined in section 469.177, subdivision 2, and that levied on the portion of commercial industrial properties' assessed value or gross tax capacity, as defined in section 473F.02, subdivision 3, subject to the areawide tax as provided in section 473F.08, subdivision 6, in a unique taxing jurisdiction before reduction by any credits for taxes payable in the year prior to that in which the aids are payable. For purposes of disparity reduction aid only, total gross taxes shall be reduced by the taxes levied for any school district referendum levies authorized pursuant to section 124A.03, subdivision 2, and any school district debt levies authorized pursuant to section 475.61. Gross taxes levied cannot be less than zero.

(i) "Income maintenance aids" means:

(1) medical assistance under sections 256B.041, subdivision 5, and 256B.19, subdivision 1;

(2) preadmission screening and alternative care grants under section 256B.091, subdivision 8;

(3) general assistance, and work readiness under section 256D.03, subdivision 2;

(4) general assistance medical care under section 256D.03, subdivision 6;

(5) aid to families with dependent children under section 256.82, subdivision 1, including emergency assistance under section

256.871, subdivision 6; and funeral expense payments under section 256.935, subdivision 1; and

(6) supplemental aid under section 256D.36, subdivision 1.

Sec. 34. Minnesota Statutes 1988, section 273.1398, subdivision 4, is amended to read:

Subd. 4. [DISPARITY REDUCTION CREDIT.] (a) Beginning with taxes payable in 1989, class 4a, class 3a, and class 3b property qualifies for a disparity reduction credit if: (1) the property is located in a border city that has an enterprise zone designated pursuant to section 469.168, subdivision 4; (2) the property is located in cities a city with a population greater than 2,500 and less than 35,000 according to the 1980 decennial census which are; (3) the city is adjacent to cities a city in another state or immediately adjacent to a city adjacent to a city in another state qualify for disparity reduction credits, if; and (4) the adjacent city in the other state has a population of greater than 5,000 and less than 75,000.

(b) The credit is an amount sufficient to reduce (i) the taxes levied on class 4a property to three percent of the property's market value and (ii) the tax on class 3a and class 3b property to 3.3 percent of market value.

~~(b)~~ (c) The county auditor shall annually certify the costs of the credits to the department of revenue. The department shall reimburse local governments for the property taxes foregone as the result of the credits in proportion to their total levies.

Sec. 35. Minnesota Statutes 1988, section 273.1398, subdivision 5, is amended to read:

Subd. 5. [ADDITIONAL HOMESTEAD AND AGRICULTURAL CREDIT GUARANTEE.] Beginning with taxes payable in 1990, each unique taxing jurisdiction may receive additional homestead and agricultural credit guarantee payments.

(1) Each year, the commissioner shall certify to the county auditor the total education aids, paid under chapters 124 and 124A, ~~transition homestead and agricultural credit aid~~ and disparity reduction aid paid under section 273.1398, local government aid to cities, counties, and towns paid under chapter 477A, and income maintenance aid paid to counties for each taxing jurisdiction. The county auditor shall apportion each local government's aids to the unique taxing jurisdiction based upon the proportion that the unique taxing jurisdiction's tax capacity bears to the total tax capacity of the local government.

(2) Each year, the county auditor will compute a gross tax capacity

rate for each taxing jurisdiction equal to its total levy divided by its gross tax capacity. For each unique taxing jurisdiction, a total gross tax capacity rate will be determined. This total gross tax capacity rate will be applied against the gross tax capacity of each property that would have been eligible for the homestead credit or the agricultural credit for taxes payable in 1989. A credit amount will be determined for each parcel based upon the credit rate structure in effect for taxes payable in 1989. The resulting credit amounts will be summed for all parcels in the unique taxing jurisdiction.

If the amount determined in clause (2) is greater than the amount determined in clause (1), the difference will be additional homestead and agricultural credit guarantee payments for the unique taxing jurisdiction. The additional credit amount shall proportionately reduce the tax capacity rates of all local governments levying taxes within the unique taxing jurisdiction. The county auditor shall certify the amounts of ~~all~~ additional credits determined under this ~~section~~ subdivision in a form prescribed by the commissioner.

Sec. 36. Minnesota Statutes 1988, section 273.1398, subdivision 6, is amended to read:

Subd. 6. [PAYMENT.] The commissioner shall certify the aids provided in subdivisions 2 and 3 before September 30 of the year preceding the distribution year to the county auditor of the affected local government and pay them and the credit reimbursements to local governments other than school districts at the times provided in section 477A.015 for payment of local government aid to taxing jurisdictions. Aids and credit reimbursements to school districts must be certified to the commissioner of education and paid under section 273.1392. Payment shall not be made to any taxing jurisdiction that has ceased to levy a property tax nor shall transition homestead and agricultural credit aid be payable on the part of a levy to which transition homestead and agricultural credit aid was separately allocated under subdivision 2, paragraph (b), clause (2), which is no longer levied.

Sec. 37. Minnesota Statutes 1988, section 275.07, subdivision 3, is amended to read:

Subd. 3. The county auditor shall adjust each local government's levy certified under subdivision 1 by the amount of transition homestead and agricultural credit aid certified by section 273.1398, subdivision 2. If a local government's transition homestead and agricultural credit aid was further allocated between portions of its levy pursuant to section 273.1398, subdivision 2, paragraph (b)(2), the levy or fund to which the transition homestead and agricultural credit aid was allocated is the levy or fund which must be adjusted.

Sec. 38. [276.131] [DISTRIBUTION OF PENALTIES, INTEREST, AND COSTS.]

The penalties, interest, and costs collected on special assessments and real and personal property taxes must be distributed as follows:

(1) all penalties and interest collected on special assessments against real or personal property must be distributed to the taxing jurisdiction that levied the assessment;

(2) 50 percent of all penalties and interest collected on real and personal property taxes must be distributed to the county in which the property is located, and the other 50 percent must be distributed to the school district in which the property is located. The distribution to the school district must be in accordance with the provisions of section 124.10; and

(3) all costs collected by the county on special assessments and on delinquent real and personal property taxes must be distributed to the county in which the property is located.

Sec. 39. Minnesota Statutes 1988, section 278.01, subdivision 1, is amended to read:

Subdivision 1. [DETERMINATION OF VALIDITY.] Any person having any estate, right, title, or interest in or lien upon any parcel of land, who claims that such property has been partially, unfairly, or unequally assessed in comparison with other property in the (1) city, or (2) county, or (3) in the case of a county containing a city of the first class, the portion of the county excluding the first class city, or that the parcel has been assessed at a valuation greater than its real or actual value, or that the tax levied against the same is illegal, in whole or in part, or has been paid, or that the property is exempt from the tax so levied, may have the validity of the claim, defense, or objection determined by the district court of the county in which the tax is levied or by the tax court by serving two copies of a petition for such determination upon the county auditor and one copy each on the county treasurer and the county attorney and filing the same, with proof of service, in the office of the court administrator of the district court before the 16th day of May of the year in which the tax becomes payable. The county auditor shall immediately forward one copy of the petition to the appropriate governmental authority in a home rule charter or statutory city or town in which the property is located if that city or town employs its own certified assessor. A copy of the petition shall also be sent to the school board of the school district in which the property is located. A petition for determination under this section may be transferred by the district court to the tax court. An appeal may also be taken to the tax court under chapter 271 at any time following receipt of the valuation notice required by section 273.121 but prior to May 16 of the year in which the taxes are payable.

Sec. 40. Minnesota Statutes 1988, section 278.03, is amended to read:

278.03 [PAYMENT OF TAX.]

If the proceedings instituted by the filing of the petition have not been completed before the 16th day of May next following the filing, the petitioner shall pay to the county treasurer 50 percent of the tax levied for such year against the property involved, unless permission to continue prosecution of the petition without such payment is obtained as herein provided. If the proceedings instituted by the filing of the petition have not been completed by the next October 16, or, in the case of class 1b agricultural homestead, class 2a agricultural homestead, and class 2e 2b(2) agricultural nonhomestead property, November 16, the petitioner shall pay to the county treasurer 50 percent of the unpaid balance of the taxes levied for the year against the property involved if the unpaid balance is \$2,000 or less and 80 percent of the unpaid balance if the unpaid balance is over \$2,000, unless permission to continue prosecution of the petition without payment is obtained as herein provided. The petitioner, upon ten days notice to the county attorney and to the county auditor, given at least ten days prior to the 16th day of May or the 16th day of October, or, in the case of class 1b agricultural homestead, class 2a agricultural homestead, and class 2e 2b(2) agricultural nonhomestead property, the 16th day of November, may apply to the court for permission to continue prosecution of the petition without payment; and, if it is made to appear

(1) That the proposed review is to be taken in good faith;

(2) That there is probable cause to believe that the property may be held exempt from the tax levied or that the tax may be determined to be less than 50 percent of the amount levied; and

(3) That it would work a hardship upon petitioner to pay the taxes due,

the court may permit the petitioner to continue prosecution of the petition without payment, or may fix a lesser amount to be paid as a condition of continuing the prosecution of the petition.

Failure to make payment of the amount required when due shall operate automatically to dismiss the petition and all proceedings thereunder unless the payment is waived by an order of the court permitting the petitioner to continue prosecution of the petition without payment. The county treasurer shall, upon request of the petitioner, issue duplicate receipts for the tax payment, one of which shall be filed by the petitioner in the proceeding.

Sec. 41. Minnesota Statutes 1988, section 278.05, subdivision 4, is amended to read:

Subd. 4. [SALES RATIO STUDIES AS EVIDENCE.] The sales

ratio studies published by the department of revenue, or any part of the studies, or any copy of the studies or records accumulated to prepare the studies which is prepared by the commissioner of revenue for use in determining school education aids shall be admissible in evidence as a public record without the laying of a foundation if the sales prices used in the study are adjusted for the terms of the sale to reflect market value and are adjusted to reflect the difference in the date of sale compared to the assessment date. The department of revenue sales ratio study shall be prima facie evidence of the level of assessment. Additional evidence relevant to the sales ratio study is also admissible. No sales ratio study received into evidence shall be conclusive or binding on the court and evidence of its reliability or unreliability may be introduced by any party including, but not limited to, evidence of inadequate adjustment of sale prices for terms of financing, inadequate adjustment of sales prices to reflect the difference in the date of sale compared to the assessment date, and inadequate sample size.

No reduction in value on the grounds of discrimination shall be granted on the basis of a sales ratio study published by the department of revenue unless

(a) the sales prices are adjusted for the terms of the sale to reflect market value,

(b) the sales prices are adjusted to reflect the difference in the date of sale compared to the assessment date, and

(c) there is an adequate sample size, and

(d) the median ratio of the same classification of property in the same county, city, or town as the subject property is lower than 90 percent, except that in the case of a county containing a city of the first class, the median ratio for the county shall be the ratio determined excluding sales from the first class city within the county.

If a reduction in value on the grounds of discrimination is granted based on the above criteria, the reduction shall equal the difference between 90 percent and the median ratio determined by the court.

Sec. 42. Minnesota Statutes 1988, section 278.05, subdivision 5, is amended to read:

Subd. 5. Any time after the filing of the petition and before the trial of the issues raised thereby, when the defense or claim presented is that the property has been partially, unfairly, or unequally assessed, or that the parcel has been assessed at a valuation greater than its real or actual value, or that a parcel which is classified as homestead under the provisions of section 273.13,

subdivision 22 or 23, has been assessed at a valuation which exceeds by ten percent or more the valuation which the parcel would have if it were valued at the average assessment/sales ratio for real property in the same class in that portion of the county in which the parcel is located, for which the commissioner is able to establish and publish a sales ratio study, the attorney representing the state, county, city or town in the proceedings may serve on the petitioner, or the petitioner's attorney, and file with the court administrator of the district court, an offer to reduce the valuation of any tract or tracts to a valuation set forth in the offer. If, within ten days thereafter, the petitioner, or the attorney, gives notice in writing to the county attorney, or the attorney for the city or town, that the offer is accepted, the official notified may file the offer with proof of notice, and the court administrator shall enter judgment accordingly. Otherwise, the offer shall be deemed withdrawn and evidence thereof shall not be given; and, unless a lower valuation than specified in the offer is found by the court, no costs or disbursements shall be allowed to the petitioner, but the costs and disbursements of the state, county, city or town, including interest at six percent on the tax based on the amount of the offer from and after the 16th day of October, or, in the case of class 1b agricultural homestead, class 2a agricultural homestead, and class 2e 2b(2) agricultural nonhomestead property, the 16th day of November, of the year the taxes are payable, shall be taxed in its favor and included in the judgment and when collected shall be credited to the county revenue fund, unless the taxes were paid in full before the 16th day of October, or, in the case of class 1b agricultural homestead, class 2a agricultural homestead, and class 2e 2b(2) agricultural nonhomestead property, the 16th day of November, of the year in which the taxes were payable, in which event interest shall not be taxable.

Sec. 43. Minnesota Statutes 1988, section 279.01, subdivision 1, is amended to read:

Subdivision 1. Except as provided in subdivision 3, on May 16, of each year, with respect to property actually occupied and used as a homestead by the owner of the property, a penalty of three percent shall accrue and thereafter be charged upon all unpaid taxes on real estate on the current lists in the hands of the county treasurer, and a penalty of seven percent on nonhomestead property, except that this penalty shall not accrue until June 1 of each year on commercial use real property used for seasonal residential recreational purposes and classified as class 4d 1c or 4c, and on other commercial use real property classified as class 3a, provided that over 60 percent of the gross income earned by the enterprise on the class 3a property is earned during the months of May, June, July, and August. Any property owner of such class 3a property who pays the first half of the tax due on the property after May 15 and before June 1 shall attach an affidavit to the payment attesting to compliance with the income provision of this subdivision. Thereafter, for both homestead and nonhomestead property, on the first day of each month, up to

and including October 1 following, an additional penalty of one percent for each month shall accrue and be charged on all such unpaid taxes. When the taxes against any tract or lot exceed \$50, one-half thereof may be paid prior to May 16; and, if so paid, no penalty shall attach; the remaining one-half shall be paid at any time prior to October 16 following, without penalty; but, if not so paid, then a penalty of four percent shall accrue thereon for homestead property and a penalty of four percent on nonhomestead property. Thereafter, for homestead property, on the first day of November and December following, an additional penalty of two percent for each month shall accrue and be charged on all such unpaid taxes. Thereafter, for nonhomestead property, on the first day of November and December following, an additional penalty of four percent for each month shall accrue and be charged on all such unpaid taxes. If one-half of such taxes shall not be paid prior to May 16, the same may be paid at any time prior to October 16, with accrued penalties to the date of payment added, and thereupon no penalty shall attach to the remaining one-half until October 16 following.

A county may provide by resolution that in the case of a property owner that has multiple tracts or parcels with aggregate taxes exceeding \$50, payments may be made in installments as provided in this subdivision.

The county treasurer may accept payments of more or less than the exact amount of a tax installment due. If the accepted payment is less than the amount due, payments must be applied first to the penalty accrued for the year the payment is made. Acceptance of partial payment of tax does not constitute a waiver of the minimum payment required as a condition for filing an appeal under section 278.03 or any other law, nor does it affect the order of payment of delinquent taxes under section 280.39.

Sec. 44. Minnesota Statutes 1988, section 279.01, subdivision 3, is amended to read:

Subd. 3. In the case of class 1b agricultural homestead, class 2a agricultural homestead property, and class 2e 2b(2) agricultural nonhomestead property, no penalties shall attach to the second one-half property tax payment as provided in this section if paid by November 15. Thereafter for class 1b agricultural homestead and class 2a homestead property, on November 16 following, a penalty of six percent shall accrue and be charged on all such unpaid taxes and on December 1 following, an additional two percent shall be charged on all such unpaid taxes. Thereafter for class 2e 2b(2) agricultural nonhomestead property, on November 16 following, a penalty of eight percent shall accrue and be charged on all such unpaid taxes and on December 1 following, an additional four percent shall be charged on all such unpaid taxes.

If the owner of class 1b agricultural homestead, class 2a, or class ~~2e~~ 2b(2) agricultural property receives a consolidated property tax statement that shows only an aggregate of the taxes and special assessments due on that property and on other property not classified as class 1b agricultural homestead, class 2a, or class ~~2e~~ 2b(2) agricultural property, the aggregate tax and special assessments shown due on the property by the consolidated statement will be due on November 15 provided that at least 50 percent of the property's market value is classified class 1b agricultural, class 2a, or class ~~2e~~ 2b(2) agricultural.

Sec. 45. Minnesota Statutes 1988, section 279.37, subdivision 7, is amended to read:

Subd. 7. The county auditor's statement and county treasurer's receipt issued for payment of a deferred installment, as herein provided for, shall not read for any specific year's taxes, but shall read for partial or full release of judgment, as the case may be, and shall show the year that such judgment was entered. In distributing the taxes collected in this manner, the county auditor shall apply the same in the inverse order to that in which such taxes were levied. All penalties and interest collected under the provisions of this section shall be apportioned by the county auditor in accordance with Minnesota Statutes 1941, sections 276.13 and 276.14 section 276.131. A duplicate treasurer's receipt for payment of a deferred installment, as hereinafter provided, shall be delivered to the court administrator of the district court, and the court administrator of the district court shall credit the amount so paid upon the judgment entered.

Sec. 46. Minnesota Statutes 1988, section 290A.03, subdivision 12, is amended to read:

Subd. 12. [GROSS RENT.] "Gross rent" means rental paid for the right of occupancy, at arms-length, of a homestead, exclusive of charges for any medical services furnished by the landlord as a part of the rental agreement, whether expressly set out in the rental agreement or not. If the landlord and tenant have not dealt with each other at arms-length and the commissioner determines that the gross rent charged was excessive, the commissioner may adjust the gross rent to a reasonable amount for purposes of this chapter.

Any amount paid by a claimant residing in property assessed pursuant to ~~section 273.13~~ 273.124, subdivision 3, 4, 5, or 6 for occupancy in that property shall be excluded from gross rent for purposes of this chapter. However, property taxes imputed to the homestead of the claimant or the dwelling unit occupied by the claimant that qualifies for homestead treatment pursuant to ~~section 273.13~~ 273.124, subdivision 3, 4, 5, or 6 shall be included within the term "property taxes payable" as defined in subdivision 13, notwithstanding the fact that ownership is not in the name of the claimant.

Sec. 47. Minnesota Statutes 1988, section 298.28, subdivision 3, is amended to read:

Subd. 3. [CITIES; TOWNS.] (a) 12.5 cents per taxable ton, less any amount distributed under subdivision 8, and paragraph (b), must be allocated to the taconite municipal aid account to be distributed as provided in section 298.282.

(b) An amount must be allocated to towns or cities that is annually certified by the county auditor of a county containing a taconite tax relief area within which there is (1) an organized township if, as of January 2, 1982, more than 75 percent of the assessed valuation of the township consists of iron ore or (2) a city if, as of January 2, 1980, more than 75 percent of the assessed valuation of the city consists of iron ore.

(c) The amount allocated under paragraph (b) will be the portion of a township's or city's certified levy equal to the proportion of (1) the difference between 50 percent of January 2, 1982, assessed value in the case of a township and 50 percent of the January 2, 1980, assessed value in the case of a city and its current assessed value to (2) the sum of its current assessed value plus the difference determined in (1), provided that the amount distributed shall not exceed \$55 per capita in the case of a township or \$75 per capita in the case of a city. For purposes of this limitation, population will be determined according to the 1980 decennial census conducted by the United States Bureau of the Census. The county auditor shall extend the township's or city's levy against the sum of the township's or city's current assessed value plus the difference between 50 percent of its January 2, 1982, assessed value and its current assessed value in the case of a township and between 50 percent of its January 2, 1980, assessed value and its current assessed value in the case of a city. If the current assessed value of the township exceeds 50 percent of the township's January 2, 1982, assessed value, or if the current assessed value of the city exceeds 50 percent of the city's January 2, 1980, assessed value, this paragraph shall not apply. For purposes of this paragraph, "assessed value," when used in reference to years other than 1980 or 1982, means, for distributions for production year 1989, production taxes payable in 1990, the appropriate gross tax capacities multiplied by 8.2 and for distributions for production year 1990 and thereafter, production taxes payable in 1991 and thereafter, the appropriate net tax capacities multiplied by 10.2.

Sec. 48. [365B.01] [TOWNS; SUBORDINATE SERVICE DISTRICTS; PURPOSE.]

It is the purpose of sections 48 to 57 to provide a means by which a town as a unit of general local government can effectively provide and finance various governmental services for its residents.

Sec. 49. [365B.02] [DEFINITION.]

“Subordinate service district” means a defined area within the town in which one or more governmental services or additions to townwide services are provided by the town specially for the area and financed from revenues from the area. The boundaries of a single subordinate service district may not embrace an entire town.

Sec. 50. [365B.03] [ESTABLISHMENT OF SERVICE DISTRICT.]

Notwithstanding any provision of law requiring uniform property tax rates on real or personal property within the town, a town may establish subordinate service districts to provide and finance a governmental service or function that it is otherwise authorized to undertake. A function or service to be provided may include a function or service that the town ordinarily provides throughout the town only to the extent that there is an increase in the level of the function or service provided in the service district over that provided throughout the town.

Sec. 51. [365B.04] [CREATION BY PETITION.]

Subdivision 1. [PETITION.] A petition signed by at least 50 percent of the property owners in the part of the town proposed for the subordinate service district may be submitted to the town board requesting the establishment of a subordinate service district to provide a service that the town is otherwise authorized by law to provide. The petition must include the territorial boundaries of the proposed district and specify the kinds of services to be provided within the district.

Subd. 2. [PUBLIC HEARING.] Upon receipt of the petition, and the verification of the signatures by the town clerk, the town board shall, within 30 days following verification, hold a public hearing on the question of whether or not the requested district shall be established.

Subd. 3. [APPROVAL; DISAPPROVAL.] Within 30 days after the public hearing, the town board by resolution shall approve or disapprove the establishment of the requested district. A resolution approving the establishment of the district may contain amendments or modifications of the district's boundaries or functions as set forth in the petition.

Sec. 52. [365B.05] [PUBLICATION AND EFFECTIVE DATE.]

Within 20 days after passage of a resolution authorizing the establishment of a subordinate service district, the town board shall have the resolution published once in a qualified newspaper of general circulation within the town. The resolution must include a

general description of the territory to be included within the district, the kind of service to be provided, and a statement of how the service will be financed. A notice must also be mailed to the owner of each parcel within the area proposed to be included in the district. The notice shall be sent to the same address as on the property tax statement. The district shall begin 60 days after publication or at a later date specified in the resolution.

Sec. 53. [365B.06] [REVERSE REFERENDUM.]

Subdivision 1. [PETITION.] Upon receipt of a petition signed by at least 25 percent of the property owners within the territory of the proposed district, before the effective date of its establishment as specified in section 52, the establishment shall be in abeyance pending referendum vote within the boundaries of the proposed district.

Subd. 2. [ELECTION.] The town board shall hold a special election within the boundaries of the proposed district not less than 30 nor more than 90 days after receipt of the petition. The question submitted and voted upon by the property owners within the territory of the proposed district must be phrased substantially as follows:

"Shall a subordinate service district be established to provide (service or services to be provided) financed by (revenue sources)?"

If a majority of those voting on the question favor creation of the district, the district shall begin upon certification of the vote by the town clerk. The town clerk shall administer the election.

Sec. 54. [365B.07] [EXPANSION OF BOUNDARIES OF A DISTRICT.]

The town board, upon petition, may enlarge any existing subordinate service district under the procedures specified in sections 50 to 53. Only property owners residing in territory to be added to the district shall be eligible to participate in an election, unless at least 25 percent of the property owners residing in the existing district petition to participate, in which case all property owners residing in the proposed enlarged district shall be eligible.

Sec. 55. [365B.08] [FINANCING.]

Upon adoption of the next annual budget following the creation of a subordinate service district the town board shall include in the budget appropriate provisions for the operation of the district including either a property tax levied only on property of the users of the service within the boundaries of the district or a levy of a service charge against the users of the service within the district, or

a combination of a property tax and a service charge on the users of the service.

A tax or service charge or a combination of them may be imposed to finance a function or service in the district that the town ordinarily provides throughout the town only to the extent that there is an increase in the level of the function or service provided in the service district over that provided throughout the town. In that case, in addition to the townwide tax levy, an amount necessary to pay for the increase in the level of the function or service may be imposed in the district.

Sec. 56. [365B.09] [WITHDRAWAL; ELECTION.]

Upon receipt of a petition signed by at least 50 percent of the property owners in the territory of the subordinate service district requesting the removal of the district, the town board shall hold a special election within the service district not less than 30 nor more than 90 days after the resolution or receipt of the petition. The question to be submitted and voted upon by the property owners in the district shall be phrased substantially as follows:

"Shall the subordinate service district presently established be removed and the service or services of the town as provided for the service district be discontinued?"

If a majority of those voting on the question favor the removal and discontinuance of the services, the service district shall be removed and the services shall be discontinued upon certification of the vote by the town clerk. The town clerk shall administer the election.

Sec. 57. [365B.10] [COORDINATION OF DISTRICTS.]

If a county establishes a subordinate service district in part of a town under enabling law for counties, a town may not establish a subordinate service district to provide the same service in the part of the town served by the county. If a town establishes a subordinate service district in part of the town under this chapter or other law, a county may not establish a subordinate service district to provide the same service in the part of the town served by the town.

Sec. 58. Minnesota Statutes 1988, section 375.192, subdivision 2, is amended to read:

Subd. 2. Notwithstanding section 270.07, upon written application by the owner of the property, if the application seeks a reduction in estimated market value not in excess of \$2,000 ~~\$10,000~~, the county board may grant the reduction or abatement of estimated market valuation or taxes and of any costs, penalties or interest on them as the board deems just and equitable and order the refund in

whole or part of any taxes, costs, penalties or interest which have been erroneously or unjustly paid. The application must be approved by the county assessor, or, if the property is located in a city of the first or second class having a city assessor, by the city assessor, and by the county auditor before consideration by the county board. The methods of obtaining a reduction or abatement of ad valorem values contained in subdivisions 1 and 2 are in addition to the method provided in section 270.07.

Sec. 59. Minnesota Statutes 1988, section 459.14, is amended by adding a subdivision to read:

Subd. 8. [PROPERTY EXEMPT FROM TAXATION.] Any real or personal property owned, leased, maintained, or operated as a municipal parking facility under this section is owned, leased, maintained, or operated for essential public and governmental purposes, and is exempt from all ad valorem taxes levied by the state or a political subdivision of the state.

Sec. 60. Minnesota Statutes 1988, section 469.012, is amended by adding a subdivision to read:

Subd. 12. [PARKING FACILITIES.] An authority may operate and maintain public parking facilities in connection with any of its projects.

Sec. 61. Minnesota Statutes 1988, section 469.040, subdivision 2, is amended to read:

Subd. 2. [LEASED PROPERTY, EXCEPTION.] Notwithstanding the provisions of subdivision 1, any property other than property to be operated as a parking facility that the authority leases to private individuals or corporations for development in connection with a redevelopment project shall have the same tax status as if the leased property were owned by the private individuals or corporations.

Sec. 62. Minnesota Statutes 1988, section 469.174, subdivision 8, is amended to read:

Subd. 8. [PROJECT.] "Project" means a project as described in section 469.142; an industrial development district as described in section 469.058, subdivision 1; an economic development district as described in section 469.101, subdivision 1; a project as defined in section 469.002, subdivision 12; a development district as defined in section 469.125, subdivision 8 9; or any special law; or a project as defined in section 469.153, subdivision 2, paragraph (a), (b), or (c).

Sec. 63. Minnesota Statutes 1988, section 469.175, subdivision 7, is amended to read:

Subd. 7. [CREATION OF HAZARDOUS SUBSTANCE SUBDISTRICT; RESPONSE ACTIONS.] (a) A municipality or authority which is creating or has created a tax increment financing district may establish within the district a hazardous substance subdistrict upon the notice and after the discussion, public hearing, and findings required for approval of the original plan. The geographic area of the subdistrict is made up of any parcels in the district designated for inclusion by the municipality or authority that are designated hazardous substance sites, and any additional parcels in the district designated for inclusion that are contiguous to the hazardous substances sites except for the interposition of a right-of-way. Before or at the time of approval of the tax increment financing plan, the municipality must make the findings under paragraphs (b) to (d), and set forth in writing the reasons and supporting facts for each.

(b) Development or redevelopment of the site, in the opinion of the municipality, would not reasonably be expected to occur solely through private investment and tax increment otherwise available, and therefore the hazardous substance district is deemed necessary.

(c) Other parcels that are not designated hazardous substance sites are expected to be developed together with a designated hazardous substance site.

(d) The subdistrict is not larger than, and the period of time during which increments are elected to be received is not longer than, that which is necessary in the opinion of the municipality to provide for the additional costs due to the designated hazardous substance site.

(e) Upon request by a municipality or authority that has incurred expenses for removal or remedial actions to implement a development response action plan, the attorney general may:

(1) bring a civil action on behalf of the municipality or authority to recover the expenses, including administrative costs and litigation expenses, under section 115B.04 or other law; or

(2) assist the municipality or agency in bringing an action as described in clause (1), by providing legal and technical advice, intervening in the action, or other appropriate assistance.

The decision to participate in any action to recover expenses is at the discretion of the attorney general.

(f) If the attorney general brings an action as provided in paragraph (e), clause (1), the municipality or authority shall certify its reasonable and necessary expenses incurred to implement the development response action plan and shall cooperate with the

attorney general as required to effectively pursue the action. The certification by the municipality or authority is prima facie evidence that the expenses are reasonable and necessary. The attorney general may deduct litigation expenses incurred by the attorney general from any amounts recovered in an action brought under paragraph (e), clause (1). The municipality or authority shall reimburse the attorney general for litigation expenses not recovered in an action under paragraph (e), clause (1), and for litigation expenses incurred to assist in bringing an action under paragraph (e), clause (1) (2). All money recovered or paid to the attorney general for litigation expenses under this paragraph shall be paid to the general fund of the state for deposit to the account of the attorney general. For the purposes of this section, "litigation expenses" means attorney fees and costs of discovery and other preparation for litigation.

(g) The municipality or authority shall reimburse the pollution control agency for its administrative expenses incurred to review and approve a development action response plan and associated activities, and for expenses incurred for any services rendered to the attorney general to support the attorney general in actions brought or assistance provided under paragraph (e). All money paid to the pollution control agency under this paragraph shall be deposited in the environmental response, compensation and compliance fund.

(h) Actions taken by a municipality or authority consistent with a development response action plan are deemed to be authorized response actions for the purpose of section 115B.17, subdivision 12. A municipality or agency that takes actions consistent with a development response action plan qualifies for the defenses available under sections 115B.04, subdivision 11, and 115B.05, subdivision 9.

(i) All money recovered by a municipality or authority in an action brought under paragraph (e) in excess of the amounts paid to the attorney general and the pollution control agency must be treated as excess increments and be distributed as provided in section 469.176, subdivision 2, clause (4), to the extent the removal and remedial actions were initially financed with increment revenues.

Sec. 64. Minnesota Statutes 1988, section 469.176, subdivision 4c, is amended to read:

Subd. 4c. [ECONOMIC DEVELOPMENT DISTRICTS.] Revenue derived from tax increment from an economic development district may not be used to provide improvements, loans, subsidies, grants, interest rate subsidies, or assistance in any form to developments consisting of buildings and ancillary facilities, if at least 25 percent of the buildings and facilities (determined on the basis of square footage) are used for the purposes listed in section 144(a)(8) of the Internal Revenue Code of 1986 (determined without regard to the 25

percent restriction in subparagraph (A)). The restrictions under this paragraph apply only to districts located in development regions, as defined in section 462.384, with populations in excess of 1,000,000. Population must be determined under the provisions of section 477A.011.

Sec. 65. Minnesota Statutes 1988, section 475.53, subdivision 4, is amended to read:

Subd. 4. [SCHOOL DISTRICTS.] Except as otherwise provided by law, no school district shall be subject to a net debt in excess of ten percent of the actual market value of all taxable property situated within its corporate limits, as computed in accordance with this subdivision. The county auditor of each county containing taxable real or personal property situated within any school district shall certify to the district upon request the market value of all such property. The commissioner of revenue shall certify to the district upon request the market value of railroad property within the district as most recently determined under section 270.87. Whenever the commissioner of revenue, in accordance with section 124.2131, subdivision 1, has determined that the gross tax capacity of any district furnished by county auditors is not based upon the market value of taxable property in the district, the commissioner of revenue shall certify to the district upon request the ratio most recently ascertained to exist between such value and the actual market value of property within the district. The actual market value of property within a district, on which its debt limit under this subdivision is based, is (a) the value certified by the county auditors and, where applicable, by the commissioner of revenue under section 270.87, or (b) this value divided by the ratio certified by the commissioner of revenue, whichever results in a higher value.

Sec. 66. Minnesota Statutes 1988, section 477A.011, subdivision 15, is amended to read:

Subd. 15. [CITY REVENUE.] "City revenue" equals the sum of (i) the city's aid payable under section 477A.013, in the year prior to that for which aids are being calculated, and (ii) its levy for taxes payable in the year prior to that for which aids are being calculated, and (iii) for aids payable in 1991 and subsequent years, the city's transition aid payable under section 273.1398, subdivision 2, in the year prior to that for which aids are being calculated.

Sec. 67. Minnesota Statutes 1988, section 477A.013, subdivision 1, is amended to read:

Subdivision 1. [TOWNS.] In calendar year 1988, each town which had levied for taxes payable in the previous year at least one mill on the dollar of the assessed value of the town shall receive a distribution equal to the greater of: (a) 60 percent of the amount received in 1983 pursuant to Minnesota Statutes 1982, sections 273.138,

273.139, and 477A.011 to 477A.03; or (b) the amount certified in 1987 pursuant to sections 477A.011 to 477A.03. In calendar year 1989, each town that had levied for taxes payable in 1988 at least one mill on the dollar of the assessed value of the town shall receive a distribution equal to 106 percent of the distribution received under Minnesota Statutes 1987 Supplement, section 477A.013, subdivision 1, in 1988. In calendar year 1990 and subsequent years, each town that had levied for taxes payable in the prior year a tax capacity rate of at least ~~0.125~~ .008 shall receive a distribution equal to the amount received in 1989 under this subdivision.

Sec. 68. Laws 1988, chapter 719, article 8, section 37, is amended to read:

Sec. 37. [EFFECTIVE DATE.]

The part of section 31 that strikes a part of paragraph (c) is effective June 1, 1990. Section 32 is, and the part of section 36 that provides approval of 25 additional positions in the department of human services for food stamp quality control, are effective June 1, 1989. Except as provided in section 34, the rest of this article is effective January 1, 1990.

Sec. 69. Laws 1988, chapter 719, article 12, section 29, is amended to read:

Sec. 29. [TRANSITION RULES.]

(a) The provisions of sections 3, 6, 10, and 14 16 do not apply to proposed tax increment financing districts for which the authority called for a public hearing in a resolution dated March 23, 1987, and for which a public hearing was held on April 28, 1987. The provisions of Minnesota Statutes 1987 Supplement, sections 469.174, subdivision 10, and 469.176, subdivision 4, apply to such districts.

(b) The provisions of sections 3, 6, 10, and 14 16 do not apply to candidate sites in the old highway 8 corridor tax increment project area, identified in the old highway 8 corridor plan as approved by an authority on October 14, 1986, if the requests for certification of the districts are filed with the county before January 1, 1998. The provisions of Minnesota Statutes 1987 Supplement, sections 469.174, subdivision 10, and 469.176, subdivision 4, apply to such districts.

(c) The provisions of section 14 16, subdivision 4c, do not apply to an economic development district located in a development district approved on November 9, 1987, provided the request for certification of the tax increment district is submitted to the county by September 30, 1988.

Sec. 70. [SPECIAL SERVICES DEFINED.]

For purposes of sections 70 and 71, "special services" means all services rendered or contracted for by the city of Mankato, including but not limited to:

(1) the repair, maintenance, operation, and construction of any improvement authorized by Minnesota Statutes, section 429.021;

(2) parking services rendered or contracted for by the city; and

(3) any other service provided to the public by the city that is authorized by law or charter.

Sec. 71. [CITY OF MANKATO; ESTABLISHMENT OF SPECIAL SERVICES DISTRICT.]

The governing body of the city of Mankato may adopt an ordinance establishing a special service district. The provisions of Minnesota Statutes, chapter 428A govern the establishment and operation of special service districts in the city.

Sec. 72. [LOCAL APPROVAL.]

Sections 70 and 71 are effective the day after compliance with Minnesota Statutes, section 645.021, subdivision 3, by the governing body of the city of Mankato.

Sec. 73. [SPECIAL SERVICES DEFINED.]

For purposes of sections 73 to 75, "special services" means all services rendered or contracted for by the city of Hopkins, including, but not limited to:

(1) the repair, maintenance, operation, and construction of any improvement authorized by Minnesota Statutes, section 429.021;

(2) parking services rendered or contracted for by the city; and

(3) any other service provided to the public by the city that is authorized by law or charter.

Sec. 74. [CITY OF HOPKINS; ESTABLISHMENT OF SPECIAL SERVICE DISTRICT.]

The governing body of the city of Hopkins may adopt an ordinance establishing a special service district. The provisions of Minnesota Statutes, chapter 428A govern the establishment and operation of special service districts in the city.

Sec. 75. [LOCAL APPROVAL.]

Sections 73 and 74 are effective the day following compliance with Minnesota Statutes, section 645.021, subdivision 3, by the governing body of the city of Hopkins.

Sec. 76. Laws 1988, chapter 719, article 7, section 9, is amended to read:

Sec. 9. [COUNTY ASSESSORS; SENIOR ACCREDITATION.]

Notwithstanding Minnesota Statutes, section 273.061, the commissioner of revenue's approval on January 1, 1989, of appointments of assessors who are not senior accredited on January 1, 1989, shall be for a term of ~~one~~ three years. A county assessor appointed for a ~~one-year~~ three-year term must reapply to the commissioner by January 1, ~~1990~~ 1992, to obtain the approval of the commissioner for the remainder of the four-year term.

Sec. 77. [REPEALER.]

(a) Minnesota Statutes 1988, sections 38.17; 38.27, subdivision 3; and 38.28 are repealed.

(b) Minnesota Statutes 1988, sections 276.13 and 276.14, are repealed.

(c) Laws 1988, chapter 719, article 8, section 35, is repealed.

(d) Minnesota Statutes 1988, sections 275.57 and 275.58, subdivision 4, are repealed.

Sec. 78. [EFFECTIVE DATE.]

Sections 1, 34, 40, 42 to 44, and 77, paragraphs (a) and (d), are effective for taxes levied in 1988, payable in 1989, and thereafter except as provided in those sections. Sections 5 to 7 are effective January 1, 1989. Sections 8 to 11 are effective January 1, 1989, for property assessed in 1989, payable in 1990, and thereafter. Sections 12, 13, 17, 18, 21, 28, 38, 45, 63, 65, 66, and 77, paragraph (b), are effective the day following final enactment.

Section 15 is effective the day following final enactment except the amendments to the transitional housing exemption in clause (19) are effective for taxes levied in 1989, payable in 1990, and thereafter.

Notwithstanding the May 1 application date in Minnesota Statutes, section 273.111, subdivision 8, section 19 is effective for the 1989 assessment, payable in 1990, and thereafter.

Section 20 is effective for taxes levied in 1989, payable in 1990, and thereafter. Notwithstanding Minnesota Statutes, section 273.112, subdivision 6, in order to qualify for valuation under Minnesota Statutes, section 273.112, for the 1989 assessment, the taxpayer of the property operated by private clubs under Minnesota Statutes, section 273.112, subdivision 3, clause (c)(3), must submit an affidavit or other written verification to the assessor by August 1, 1989, showing that the bylaws in rules and regulations of the private club meet the eligibility requirements of section 20 by August 1, 1989.

Sections 30 and 31 are effective for taxes payable in 1989 only. Sections 39 and 41 are effective for appeals filed after the date of enactment. Section 47 is effective for distributions for production year 1989, production taxes payable in 1990, and thereafter. Section 58 is effective July 1, 1989. Section 64 is effective as provided in Laws 1988, chapter 719, article 12, section 30, as amended in Laws 1989, chapter 1, section 11. Section 67 is effective for distributions in calendar year 1990 and thereafter. Section 68 is effective June 1, 1989. Section 69 is effective May 8, 1988.

Section 77, paragraph (c), is effective for fiscal year 1989. Sections 3, 4, 14, 22, 24 to 27, 29, 33, 35 to 37, and 59 to 61 are effective for taxes levied in 1989, payable in 1990, and thereafter.

ARTICLE 3

SPECIAL TAXES

Section 1. Minnesota Statutes 1988, section 297.01, subdivision 13, is amended to read:

Subd. 13. "Stamp" means the adhesive stamp supplied by the revenue commissioner ~~or the imprint made by a tax meter machine authorized by the commissioner.~~

Sec. 2. Minnesota Statutes 1988, section 297.01, is amended by adding a subdivision to read:

Subd. 16. "Licensing period" means a two-year period during which licenses are issued. A licensing period begins on January 1 of each even-numbered year and ends on December 31 of the following odd-numbered year.

Sec. 3. Minnesota Statutes 1988, section 297.03, subdivision 6, is amended to read:

Subd. 6. [TAX METER MACHINES; STAMPING MACHINES.]
(a) Before January July 1, 1990, the commissioner may authorize any person licensed as a distributor to stamp packages with a tax

meter machine, approved by the commissioner, which shall be provided by the distributor. The commissioner may provide for the use of such a machine by the distributor, supervise and check its operation, provide for the payment of the tax on any package so stamped, subject to the discount provided in subdivision 5. Except as provided in paragraph (d), the commissioner may require the furnishing of a corporate surety bond, check guarantee bond, or certified check in a suitable amount to guarantee the payment of the tax.

(b) Before January 1, 1990, the commissioner may authorize, and After December 31, 1989 June 30, 1990, the commissioner shall require any person licensed as a distributor whose stamp meter machine is no longer operational to stamp packages with a heat-applied tax stamping machine, approved by the commissioner, which shall be provided by the distributor. The commissioner shall supervise and check the operation of the machines and shall provide for the payment of the tax on any package so stamped, subject to the discount provided in subdivision 5. The commissioner may sell heat-applied stamps on a credit basis under conditions prescribed by the commissioner. Except as provided in paragraph (d), the commissioner may require the furnishing of a corporate surety bond, check guarantee bond, or certified check in an amount suitable to guarantee payment of the tax stamps so purchased by a distributor. The stamps shall be sold by the commissioner at a price which includes the tax after giving effect to the discount provided in subdivision 5. The commissioner shall recover the actual costs of the stamps from the distributor.

(c) If the commissioner finds that a stamping machine is not printing or affixing a legible stamp on the package, the commissioner may order the distributor to immediately cease the stamping process until the machine is functioning properly.

(d) Every prior continuous compliance taxpayer is exempt from all requirements under this chapter concerning the furnishing of a bond. This exemption continues for the taxpayer until the commissioner determines that the taxpayer (1) is delinquent in the filing of any return, or (2) is delinquent or deficient in the payment of any uncontested tax liability under this chapter. At that time that taxpayer is subject to the bond requirements of this chapter and, as a condition of being allowed to continue to engage in the business licensed under this chapter, is required to furnish bond to the commissioner as provided in this chapter. The taxpayer shall furnish the bond for a period of two years, after which, if the taxpayer has not been delinquent in the filing of any returns, or delinquent or deficient in the paying of any tax under this chapter, the commissioner may reinstate the person as a prior continuous compliance taxpayer. A taxpayer who fails to pay an uncontested tax liability under this chapter may be required to post bond or other acceptable security with the commissioner guaranteeing the

payment of the uncontested tax liability. The commissioner shall annually establish the maximum amount of heat applied stamps or meter units that may be purchased each month. Notwithstanding any other provisions of this chapter, the tax due on the return will be based upon actual heat applied stamps or meter units purchased during the reporting period.

Sec. 4. Minnesota Statutes 1988, section 297.04, subdivision 4, is amended to read:

Subd. 4. [DISTRIBUTOR'S APPLICATION; FEE, BOND; CERTIFIED CHECK; SUBJOBBER'S LICENSE.] (a) Except as otherwise provided in paragraph (b), Each application for a distributor's license shall be accompanied by a fee of \$150 and a corporate surety bond issued by a surety licensed to do business in this state in the sum of \$1,000, conditioned upon the true and faithful compliance by the licensee with all of the provisions of this act. This bond, or a reissue thereof, or a substitute therefor, shall be kept in full force and effect during the entire period covered by the license \$300. A separate application for license shall be made for each place of business at which a distributor proposes to engage in business as such under sections 297.01 to 297.13, provided that a separate application for a subjobber's license may be made by a licensed distributor for each place of business (other than that licensed in the distributor's license) to which the distributor delivers and from which the distributor sells or distributes stamped cigarettes.

Each application for a subjobber's license shall be accompanied by a fee of ~~\$12~~ \$24.

A distributor or subjobber applying for a license between July 1 and December 31 during the second year of any year a two-year licensing period shall be required to pay only one-half of the license fee provided for herein.

(b) In lieu of the bond required in paragraph (a), a certified check made payable to the commissioner may be filed with the commissioner. The department of revenue shall not pay interest on funds encumbered by the check.

Sec. 5. Minnesota Statutes 1988, section 297.04, subdivision 5, is amended to read:

Subd. 5. [ISSUANCE.] The commissioner, upon receipt of the application and bond in proper form, and payment of the license fee required by subdivision 4, shall, unless otherwise provided by sections 297.01 to 297.13, issue the applicant a license in form as prescribed by the commissioner, which said license shall permit the applicant to whom it is issued to engage in business as a distributor or subjobber at the place of business shown in the application.

Sec. 6. Minnesota Statutes 1988, section 297.04, subdivision 6, is amended to read:

Subd. 6. [EXPIRATION.] Each license issued shall expire on December 31 following its date of issue the second year of the licensing period unless sooner revoked by the commissioner or unless the business with respect to which the license was issued is transferred. In either case the holder of the license shall immediately surrender it to the commissioner.

Sec. 7. Minnesota Statutes 1988, section 297.041, subdivision 1, is amended to read:

Subdivision 1. [WHOLESALEERS.] Any wholesaler ~~who furnishes a surety bond in a sum satisfactory to the commissioner~~ shall be permitted to set aside, without affixing the stamps required by this chapter, that part of the wholesaler's stock necessary for the conduct of business in making sales to the established governing body of any Indian tribe recognized by the United States Department of Interior. The unstamped stock shall be kept separate and apart from stamped stock. Every wholesaler shall, at the time of shipping or delivering any of the unstamped stock to an Indian tribal organization, make a true duplicate invoice which shall show the complete details of the sale or delivery and shall transmit the duplicate to the commissioner not later than the 18th day of the following calendar month. Failure to comply with the requirements of this section shall cause the commissioner to revoke the permission granted to the wholesaler to maintain a stock of goods which may be unstamped.

Sec. 8. Minnesota Statutes 1988, section 297.08, subdivision 1, is amended to read:

Subdivision 1. [CONTRABAND DEFINED.] The following are declared to be contraband:

(1) All packages which do not have stamps affixed to them as provided in sections 297.01 to 297.13 and all devices for the vending of cigarettes in which such unstamped packages are found, including all contents contained within the devices.

(2) Any device for the vending of cigarettes and all packages of cigarettes contained therein, where the device does not afford at least partial visibility of contents. Where any package exposed to view does not carry the stamp or imprint required by sections 297.01 to 297.13, it shall be presumed that all packages contained in the device are unstamped and contraband.

(3) Any device for the vending of cigarettes to which the commissioner or authorized agents have been denied access for the inspection of contents. In lieu of seizure, the commissioner or an agent may

seal the device to prevent its use until inspection of contents is permitted.

(4) Any device for the vending of cigarettes which does not carry the name and address of the owner, plainly marked and visible from the front of the machine.

(5) Any device including, but not limited to, motor vehicles, trailers, snowmobiles, airplanes, and boats used with the knowledge of the owner or of a person operating with the consent of the owner for the storage or transportation of more than 5,000 cigarettes which are contraband under this subdivision. When cigarettes are being transported in the course of interstate commerce, or are in movement from either a public warehouse to a distributor upon orders from a manufacturer or distributor, or from one distributor to another, the cigarettes are not contraband, notwithstanding the provisions of clause (1).

Sec. 9. Minnesota Statutes 1988, section 297.31, is amended by adding a subdivision to read:

Subd. 17. "Licensing period" means a two-year period during which licenses are issued. A licensing period begins on January 1 of each even-numbered year and ends on December 31 of the following odd-numbered year.

Sec. 10. Minnesota Statutes 1988, section 297.33, subdivision 4, is amended to read:

Subd. 4. (a) Except as otherwise provided in paragraph (b), Each application for a distributor's license shall be accompanied by a fee of \$37.50 \$75. The application shall also be accompanied by a corporate surety bond issued by a surety licensed to do business in this state, in the sum of \$1,000, conditioned upon the true and faithful compliance by the distributor with all the provisions of sections 297.31 to 297.39 and the payment when due of all taxes, penalties, and accrued interest arising in the ordinary course of business or by reason of any delinquent money which may be due the state of Minnesota. This bond shall be in a form to be fixed by the commissioner and approved by the attorney general. Whenever it is the opinion of the commissioner that the bond given by a licensee is inadequate in amount to fully protect the state, the commissioner shall require either an increase in the amount of said bond or additional bond, in such amount as the commissioner deems sufficient. Any bond required by this subdivision, or a reissue thereof, or a substitute therefor, shall be kept in full force and effect during the entire period covered by the license.

A separate application for license shall be made for each place of business at which a distributor proposes to engage in business as such under sections 297.31 to 297.39. A separate application for a

subjobber's license may be made by a licensed distributor for each place of business, other than that licensed in the distributor's license, to which the distributor sells or distributes tobacco products upon which the tax imposed by this chapter has been imposed to other than the ultimate consumer.

(b) In lieu of the bond required in paragraph (a), a certified check may be filed with the commissioner. The check must be made payable to the commissioner and in an amount to be established by the commissioner or the commissioner's designee but not less than twice the average monthly liability of the taxpayer. The department of revenue shall pay no interest on funds encumbered by the check.

Sec. 11. Minnesota Statutes 1988, section 297.33, subdivision 5, is amended to read:

Subd. 5. (a) Each application for a subjobber's license shall be accompanied by a fee of ~~\$10~~ \$20.

(b) All licenses expire on December 31 of the second year of the licensing period in which they were issued.

Sec. 12. Minnesota Statutes 1988, section 297.33, subdivision 6, is amended to read:

Subd. 6. A distributor or subjobber applying for a license between July 1 and December 31 of any during the second year of a licensing period shall be required to pay only one-half of the license fee provided for herein.

Sec. 13. Minnesota Statutes 1988, section 297.33, subdivision 7, is amended to read:

Subd. 7. The commissioner, upon receipt of the application (~~and bond, in the case of the distributor~~) in proper form, and payment of the license fee required by subdivision 4 or subdivision 5, shall, unless otherwise provided by sections 297.31 to 297.39, issue the applicant a license in form as prescribed by the commissioner, which license shall permit the applicant to whom it is issued to engage in business as a distributor or subjobber at the place of business shown in the application. The commissioner shall assign a permit number to each person licensed as a distributor at the time of issuance of the first license, which shall be inscribed upon all licenses issued to that distributor.

Sec. 14. Minnesota Statutes 1988, section 297.33, subdivision 8, is amended to read:

Subd. 8. Each license issued for any period subsequent to June 30, 1971 shall expire on December 31 following its date of issue the

second year of the licensing period unless sooner revoked by the commissioner or unless the business with respect to which the license was issued is transferred. In either case the holder of the license shall immediately surrender it to the commissioner.

Sec. 15. Minnesota Statutes 1988, section 297C.03, subdivision 1, is amended to read:

Subdivision 1. [MANNER AND TIME OF PAYMENT; PENALTIES; DEPOSIT OF TAX PROCEEDS.] The tax on wines and distilled spirits on which the excise tax has not been previously paid must be paid to the commissioner by persons ~~having on file with the commissioner a sufficient bond as provided in subdivision 4~~ liable for the tax on or before the 18th day of the month following the month in which the first sale is made in this state by a licensed manufacturer or wholesaler. Every person liable for the tax on wines or distilled spirits imposed by section 297C.02 must file with the commissioner on or before the 18th day of the month following first sale in this state by a licensed manufacturer or wholesaler a return in the form prescribed by the commissioner, and must keep records and render reports required by the commissioner. ~~A person liable for any tax on wines or distilled spirits not having on file a sufficient bond must pay the tax within 24 hours after first sale in this state.~~ The commissioner may certify to the commissioner of public safety any failure to pay taxes when due as a violation of a statute relating to the sale of intoxicating liquor for possible revocation or suspension of license.

Sec. 16. Minnesota Statutes 1988, section 297C.09, is amended to read:

297C.09 [IMPORTATION BY INDIVIDUALS.]

A person, other than a person under the age of 21 years, entering Minnesota from another state may have in possession one liter of intoxicating liquor or 288 ounces of malt liquor and a person entering Minnesota from a foreign country may have in possession four liters of intoxicating liquor or ten quarts (320 ounces) of malt liquor without the required payment of the Minnesota excise tax. ~~Amounts in excess of these quantities may be imported only by a licensee holding the appropriate license as manufacturer, wholesaler, or importer under section 340A.301 or 340A.302.~~ A collector of commemorative bottles, other than a person under the age of 21 years, entering Minnesota from another state may have in possession 12 or fewer commemorative bottles without the required payment of the Minnesota excise tax. A person who imports or has in possession untaxed intoxicating liquor or malt liquor in excess of the quantities provided for in this section is guilty of a misdemeanor. This section does not apply to the consignments of alcoholic beverages shipped into this state by holders of Minnesota import licenses or Minnesota manufacturers and wholesalers when licensed by the

commissioner of public safety or to common carriers with licenses to sell intoxicating liquor in more than one state. A peace officer, the commissioner, or their authorized agents, may seize untaxed liquor.

Sec. 17. [REPEALER.]

Minnesota Statutes 1988, sections 297.01, subdivision 15; 297.03, subdivision 12; 297.04, subdivision 10; 297.33, subdivision 13; and 297C.03, subdivisions 4 and 4a, are repealed.

Sec. 18. [EFFECTIVE DATE.]

Sections 1 and 8 are effective July 1, 1990. Sections 2, 4, 6, 9 to 12, and 14 are effective for license applications for the year 1990 and thereafter, except that sections 4 and 10 are effective for bonding periods beginning after December 31, 1989, for provisions applying to bonding requirements. Any bonds for periods before January 1, 1990, must be kept in full force and effect until the statute of limitations for those periods has expired.

Sections 3, 5, 7, 13, 15, and 17 are effective for bonding periods beginning after December 31, 1989, with the following exceptions: (1) any bonds for periods before January 1, 1990, must be kept in full force and effect until the statute of limitations for those periods has expired, (2) section 17 is effective July 1, 1990, for provisions applying to stamps and tax meter machines, (3) section 3 is effective July 1, 1989, for provisions applying to tax meter machines, and (4) section 3 is effective July 1, 1990, for provisions applying to meter units.

Section 16 is effective the day following final enactment.

ARTICLE 4

MILL RATE CONVERSIONS

Section 1. Minnesota Statutes 1988, section 3.983, subdivision 3, is amended to read:

Subd. 3. [MISCELLANEOUS EXCEPTIONS.] A fiscal note need not be prepared for the cost of a mandated action if the law containing the mandate:

(a) (1) accommodates a specific local request;

(b) (2) results in no new local government duties;

(c) (3) leads to revenue losses from exemptions to taxes other than sales, use, or property taxes;

(d) (4) provides only clarifying or conforming, nonsubstantive changes on local government;

(e) (5) imposes additional net local costs which are minor (less than \$200 for any single local government if the mandate does not apply statewide or less than ~~one-tenth of a mill~~ 0.00242 percent times the entire market value of taxable property in the state if the mandate is statewide) and do not cause a financial burden on local government;

(f) (6) is a legislative mandate or executive order enacted before July 1, 1985, or a rule initially implementing legislation enacted before July 1, 1985;

(g) (7) implements something other than a state statute or executive order, such as a federal, court, or voter-approved mandate;

(h) (8) appears in rules that are permissive or discretionary in nature;

(i) (9) defines a new crime or redefines an existing crime or infraction;

(j) (10) provides, or falls within the purview of existing, revenue sources or other financing mechanisms; or

(k) (11) results in savings that equal or exceed costs.

Sec. 2. Minnesota Statutes 1988, section 18.022, subdivision 2, is amended to read:

Subd. 2. [COST.] (a) In order to defray the cost of such activities, the governing body of any such the political subdivision may levy a special tax which, except when levied by a county, ~~shall does not exceed two-thirds mill~~ 0.01596 percent of taxable market value in any year in excess of ~~charter or statutory millage~~ limitations, but not in any event more than 50 cents per capita, and any such. The political subdivision may make such a levy, where necessary, separate from the general levy and at any time of the year.

(b) If, because of the prevalence of Dutch elm disease, the governing body of such a the political subdivision is unable to defray the cost of control activities authorized by this section within the limits set by this subdivision, the limits set by this subdivision are increased to ~~4 1/4 mills~~ 0.03216 percent of taxable market value, but not in any event more than one dollar per capita.

Sec. 3. Minnesota Statutes 1988, section 18.111, subdivision 1, is amended to read:

Subdivision 1. [LEVY LIMIT.] An annual levy of not to exceed one-third mill on each dollar of gross tax capacity 0.00798 percent of market value may be levied for mosquito abatement purposes on all taxable property in any governmental unit undertaking mosquito abatement as provided in sections 18.041 to 18.161. ~~Such~~ The tax shall be certified, levied and collected in the same manner as other taxes ~~caused to be levied~~ by the governmental unit.

Sec. 4. Minnesota Statutes 1988, section 40A.15, subdivision 2, is amended to read:

Subd. 2. [ELIGIBLE RECIPIENTS.] All counties within the state, municipalities that prepare plans and official controls instead of a county, and districts are eligible for assistance under the program. Counties and districts may apply for assistance on behalf of other municipalities. In order to be eligible for financial assistance a county or municipality must agree to levy at least one-half mill on the dollar of gross tax capacity of property within its jurisdiction 0.01209 percent of taxable market value for agricultural land preservation and conservation activities or otherwise spend the equivalent amount of local money on those activities, or spend \$15,000 of local money, whichever is less.

Sec. 5. Minnesota Statutes 1988, section 88.04, subdivision 3, is amended to read:

Subd. 3. All towns and cities are hereby authorized and directed to shall take necessary precautions to prevent the starting and spreading of forest or prairie fires and to extinguish the same; and are hereby further authorized to them. They may levy a tax of not more than 3¼ mills 0.08059 percent of taxable market value annually upon the taxable property of such municipalities, but in no municipality to. The tax in any municipality shall not exceed a total of \$3,000 in any one year, which. The tax when collected shall be known as the fire fund and kept separate and apart from all other funds and used only in paying to pay all necessary and incidental expenses incurred in enforcing the provisions of sections 88.03 to 88.21. Not Up to exceed \$500 shall be expended in any one year from any such fire fund for the support of any municipal fire department. No such municipality shall make any levy for its fire fund at any time when the same fund contains \$5,000 or more, consisting of including cash on hand or and uncollected taxes that are not delinquent or both.

Sec. 6. Minnesota Statutes 1988, section 110.71, subdivision 2, is amended to read:

Subd. 2. The governing body of any city or town may use any available funds and may levy a special tax of not to exceed two thirds of one mill, nor the lesser of (1) 0.01596 percent of taxable market value, or (2) 50 cents per capita, in any year in addition to all other

taxes authorized by law, to carry out the provisions of subdivisions 1 to 4.

Sec. 7. Minnesota Statutes 1988, section 110B.20, is amended to read:

110B.20 [EXEMPTION FROM LEVY LIMIT.]

The governing body of any county, municipality, or township may levy a tax in an amount required to implement sections 110B.01 to 110B.30. ~~A levy to pay the cost of implementing sections 110B.01 to 110B.30 or to pay the cost of projects or programs identified in an adopted comprehensive water plan is in addition to other taxes authorized by law.~~ The amount of the levy up to .75 mill times the adjusted gross tax capacity of the county, municipality, or town 0.01813 percent of taxable market value is exempt from any the per capita limitation on taxes imposed by chapter 275 section 275.11.

Sec. 8. Minnesota Statutes 1988, section 112.61, subdivision 2, is amended to read:

Subd. 2. [ORGANIZATIONAL EXPENSE FUND.] The organizational expense fund consists of an ad valorem tax levy, not to exceed ~~two-thirds of one mill on each dollar of gross tax capacity of all taxable property within the district~~ 0.01596 percent of taxable market value, or \$60,000, whichever is less. The funds shall be used for organizational expenses and preparation of an overall plan for projects and improvements. The managers of the district may borrow from the affected counties up to 75 percent of the anticipated funds to be collected from the organizational expense fund levy and the counties affected may make the advancements. The advancement of anticipated funds shall be apportioned among affected counties in the same ratio as the gross tax capacity of the area of the counties within the district bears to the gross tax capacity of the entire district. If an established district is enlarged, an organizational expense fund may be levied against the area added to the district in the way provided in this subdivision. Unexpended funds collected for the organizational expense may be transferred to the administrative fund and used for the purposes authorized for it.

Sec. 9. Minnesota Statutes 1988, section 112.61, subdivision 3, is amended to read:

Subd. 3. [ADMINISTRATIVE FUND.] The administrative fund consists of an ad valorem tax levy not to exceed ~~one mill on each dollar of gross tax capacity of all taxable property within the district~~ 0.02418 percent of taxable market value, or \$125,000, whichever is less. The funds shall be used for general administrative expenses and to construct and maintain projects of common benefit to the district. The managers may make an annual levy for this fund as provided in section 112.611. In addition to the annual administra-

tive levy, the managers may annually levy a tax of not to exceed one-third of one mill 0.00798 percent of taxable market value for a period of not to exceed 15 consecutive years to pay the cost attributable to the basic water management features of projects initiated by petition of a municipality of the district.

Sec. 10. Minnesota Statutes 1988, section 112.61, subdivision 8, is amended to read:

Subd. 8. [SURVEY AND DATA ACQUISITION FUND.] The survey and data acquisition fund is established or used only when no other funds are available to the district to pay to make necessary surveys and acquire data. The fund consists of an ad valorem levy the proceeds of a property tax, which can be levied not more than once every five years, not to exceed one mill on each dollar of gross tax capacity of all taxable property within the district 0.02418 percent of taxable market value. The balance of the survey and data acquisition fund must never exceed \$50,000. In a subsequent proceeding for a work where a survey has been made, the attributable cost of the survey as determined by the managers shall be included as a part of the cost of the work and repaid to the survey and data acquisition fund.

Sec. 11. Minnesota Statutes 1988, section 138.053, is amended to read:

138.053 [COUNTY HISTORICAL SOCIETY; TAX LEVY; CITIES OR TOWNS.]

The governing body of any home rule charter or statutory city or town excepting cities of the first class may appropriate annually an amount from its general fund of not to exceed one mill of the gross tax capacity of the taxable property in the city or town the amount raised by a levy of 0.02418 percent of taxable market value to be paid to the historical society of their its respective county to be used for the promotion of historical work and to aid in defraying the expenses of carrying on the historical work in said the county. No city or town may appropriate any funds for the benefit of any historical society unless such the society shall be is affiliated with and approved by the Minnesota historical society.

Sec. 12. Minnesota Statutes 1988, section 162.07, subdivision 3, is amended to read:

Subd. 3. [COMPUTATIONS FOR RURAL COUNTIES.] A two-thirds of one mill levy An amount equal to a levy of 0.01596 percent on each rural county's total gross tax capacity taxable market value for the last preceding calendar year shall be computed and shall be subtracted from such the county's total estimated construction costs. The result thereof shall be the money needs of such the county. For

the purpose of this section, "rural counties" shall be construed to ~~mean~~ means all counties having a population of less than 175,000.

Sec. 13. Minnesota Statutes 1988, section 162.07, subdivision 4, is amended to read:

Subd. 4. [COMPUTATION FOR URBAN COUNTIES.] ~~A four-tenths mill levy~~ An amount equal to a levy of 0.00967 percent on each urban county's total ~~gross tax capacity~~ taxable market value for the last preceding calendar year shall be computed and shall be subtracted from ~~such~~ the county's total estimated construction costs. The result thereof shall be the money needs of the county. For the purpose of this section, "urban counties" shall be construed to ~~mean~~ means all counties having a population of 175,000 or more.

Sec. 14. Minnesota Statutes 1988, section 162.081, subdivision 4, is amended to read:

Subd. 4. [PURPOSES.] Money apportioned to a county from the town road account must be distributed to the treasurer of each town within the county, according to a distribution formula adopted by the county board. The formula must take into account each town's levy for road and bridge purposes, its population and town road mileage, and other factors as the county board deems advisable in the interests of achieving equity among the towns. Distribution of town road funds to the treasurer of the towns must be made at the same time as the first payment is made for tax payments received by the county treasurer as provided in section 276.11. Distribution of funds to town treasurers in a county which has not adopted a distribution formula under this subdivision must be made according to a formula prescribed by the commissioner by rule. A formula adopted by a county board or by the commissioner must provide that a town, in order to be eligible for distribution of funds from the town road account in a calendar year, must have levied in the previous year for road and bridge purposes at least two mills on the dollar of the gross tax capacity of the town 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. 15. Minnesota Statutes 1988, section 164.04, subdivision 3, is amended to read:

Subd. 3. [EMERGENCIES.] In case of emergency after the town meeting, but not later than October 1 in the same year, the town board may levy a tax on the property in the town for road and bridge purposes, in addition to any tax voted at the annual town meeting for road and bridge purposes, in an amount not to exceed 1.6 $\frac{2}{3}$ mills on the dollar of the gross tax capacity of the property in the town

0.04028 percent of taxable market value. Any tax so levied shall ~~forthwith~~ be certified to the county auditor for extension and collection. The town board may thereafter pledge the credit of the town by issuing town orders, not exceeding the amount of the additional tax so levied for road and bridge purposes, in payment for the emergency work done or material used on the roads within the town.

Sec. 16. Minnesota Statutes 1988, section 164.05, subdivision 1, is amended to read:

Subdivision 1. [POWERS.] In any town wherein in which the voters shall at the annual town meeting vote as hereinafter provided to authorize the town board so to do so as provided in this section, the town board may levy and assess on the real and personal property in the town, other than money and credits taxed under the provisions of chapter 285, a tax not to exceed in amount $3\frac{1}{4}$ mills on the dollar of the gross tax capacity of such property, which tax so levied 0.08051 percent of taxable market value. The tax shall be known as the town road drainage tax. ~~Such tax shall be additional to all other taxes which the town is or may hereafter be authorized to levy, and the amount of such tax so levied and collected shall be deemed to have been levied and collected for road and bridge purposes within the meaning of any law limiting the amount of taxes which may be levied or voted at the annual town meeting; provided, that in towns having a gross tax capacity of not less than \$1,000,000, nor more than \$8,000,000, and which otherwise come under the provisions of sections 368.02 to 368.11 the amount of such tax so levied and collected shall not be deemed to have been levied and collected for road and bridge purposes within the meaning of any law limiting the amount of taxes which may be levied or voted at the annual town meeting.~~

Sec. 17. Minnesota Statutes 1988, section 174.27, is amended to read:

174.27 [PUBLIC EMPLOYER COMMUTER VAN PROGRAMS.]

Any statutory or home rule charter city, county, school district, independent board or agency may acquire or lease commuter vans, enter into contracts with another public or private employer to acquire or lease such vans, or purchase such a service for the use of its employees. The governing body of any such city, county, or school district may by resolution establish a commuter van revolving fund to be used to acquire or lease commuter vans for the use of its employees. Any payments out of the fund shall be repaid to the fund out of revenues derived from the use by the employees of the city, county, or school district, of the vans so purchased or leased. For the purpose of establishing the fund any city, county, or school district is authorized to make a one time levy not to exceed one tenth of a mill 0.00242 percent of taxable market value in excess of all taxing

limitations except the limitations imposed under sections 275.50 to 275.56, without affecting the amount or rate of taxes which may be levied by the city, county, or school district for other purposes or by any local governments in the area. Any city, county, or school district which establishes a commuter van acquisition program or contracts for this service is authorized to levy a tax not to exceed 1/100 mill 0.00024 percent of taxable market value for the purpose of paying the administrative and promotional costs of the program which levy shall be in excess of all taxing limitations, ~~without affecting the amount or rate of taxes which may be levied by the city, county, or school district for other purposes or by a local government in the area except the limitations imposed under sections 275.50 to 275.56.~~ The governing body of any city, county, or school district may by resolution terminate the commuter van revolving fund and use the funds for other purposes authorized by law.

Sec. 18. Minnesota Statutes 1988, section 193.145, subdivision 2, is amended to read:

Subd. 2. [TAX LEVY, LIMITATION.] A county or municipality in which an armory has been constructed or is to be constructed hereunder may by resolution of its governing body irrevocably provide for levying and collecting annually for a specified period, not exceeding 40 years, a tax ~~upon all taxable property therein of such amount as such governing body may determine,~~ which, unless levied by a county, shall not exceed ~~one-third of one mill.~~ 0.00798 percent of taxable market value.

The proceeds of ~~such the~~ levy as collected shall be paid to ~~such the~~ corporation for the purposes herein prescribed. ~~Such The~~ county or municipality ~~shall have power to may~~ make ~~such tax the~~ levies and payments and to bind itself thereto by such resolution of its governing body. The provisions of ~~such the~~ resolution may be made conditional upon the giving of an agreement by the adjutant general as authorized in subdivision 4. The obligations of ~~such the~~ county or municipality to levy, collect, and pay over ~~such the~~ taxes shall not be deemed ~~or construed~~ to constitute an indebtedness of ~~such the~~ county or municipality within the meaning of any provision of law or of its charter limiting its total or net indebtedness, and such taxes may be levied and collected without regard to any statutory or charter provision limiting the amount or rate of taxes which such county or municipality is otherwise authorized to levy.

Sec. 19. Minnesota Statutes 1988, section 237.35, is amended to read:

237.35 [TAX LEVY FOR CONSTRUCTION.]

When any town ~~shall have~~ has authorized the construction, acquiring, operation, or maintenance of a telephone system, as set forth in sections 237.33 and 237.34, and determined the amount of

money to be raised for that purpose, the town board of supervisors may levy a tax for the amount of money to be raised therefor. The ~~annual~~ tax levy for ~~such~~ that purpose shall not exceed $3 \frac{1}{8}$ mills upon the taxable property of such town 0.08051 percent of taxable market value.

Sec. 20. Minnesota Statutes 1988, section 273.1102, subdivision 3, is amended to read:

Subd. 3. [1988 ADJUSTMENT.] ~~For School districts~~ district levy limitations or authorities expressed in terms of mills and adjusted assessed value, ~~their levy limitations in any special law that is not codified in Minnesota Statutes shall be converted by the department of education to "equalized gross tax capacity rates" for taxes payable in 1989 and 1990 and to equalized net tax capacity rates for taxes payable in 1991 and thereafter. For purposes of this calculation, the 1987 adjusted assessed values of the district shall be converted to "adjusted gross tax capacities" by multiplying the equalized market values by class of property by the gross tax capacity rates provided in section 273.13. Each county assessor and the city assessors of Minneapolis, Duluth, and St. Cloud shall furnish the commissioner of revenue the 1987 market value for taxes payable in 1988 for any new classes of property established in this article. The commissioner shall use those values, and estimate values where needed, in developing the 1987 tax capacity for each school district under this section. The requirements of section 124.2131, subdivisions 1, paragraph (c), and 2 and 3, shall remain in effect.~~

Sec. 21. Minnesota Statutes 1988, section 275.011, subdivision 1, is amended to read:

Subdivision 1. The property tax levied for any purpose under a special law that is not codified in Minnesota Statutes or a city charter provision and that is subject to a mill rate limitation imposed by statute or the special law or city charter provision, excluding levies subject to mill rate limitations that use adjusted assessed values determined by the commissioner of revenue under section 124.2131, must not exceed the following amount for the years specified:

(a) for taxes payable in 1988, the product of the applicable mill rate limitation imposed by ~~statute or special law or city charter provision~~ multiplied by the total assessed valuation of all taxable property subject to the tax as adjusted by the provisions of Minnesota Statutes 1986, sections 272.64; 273.13, subdivision 7a; and 275.49;

(b) for taxes payable in 1989, the product of (1) the property tax levy limitation for the taxes payable year 1988 determined under clause (a) multiplied by (2) an index for market valuation changes

equal to the assessment year 1988 total market valuation of all taxable property subject to the tax divided by the assessment year 1987 total market valuation of all taxable property subject to the tax; and

(c) for taxes payable in 1990 and subsequent years, the product of (1) the property tax levy limitation for the previous year determined pursuant to this subdivision multiplied by (2) an index for market valuation changes equal to the total market valuation of all taxable property subject to the tax for the current assessment year divided by the total market valuation of all taxable property subject to the tax for the previous assessment year.

For the purpose of determining the property tax levy limitation for the taxes payable year 1988 and subsequent years under this subdivision, "total market valuation" means the total market valuation of all taxable property subject to the tax without valuation adjustments for fiscal disparities (chapter 473F), tax increment financing (sections 469.174 to 469.179), and high voltage transmission lines (section 273.425).

Sec. 22. Minnesota Statutes 1988, section 275.011, subdivision 2, is amended to read:

Subd. 2. A mill rate levy limitation imposed by ~~statute or a~~ special law or city charter provision that is presently in effect, excluding those mill rate levy limitations that use adjusted assessed values determined by the commissioner of revenue under section 124.2131, shall be construed to allow no more and no less property taxes than the amount determined under this section.

Sec. 23. Minnesota Statutes 1988, section 275.077, subdivision 2, is amended to read:

Subd. 2. The difference between the correct levy and the erroneous levy shall be added to the township levy for the subsequent levy year; provided that if the amount of the difference exceeds five mills 0.12089 percent of taxable market value, the excess shall be added to the township levy for the second and later subsequent levy years, not to exceed an additional levy of five mills 0.12089 percent of taxable market value in any year, until the full amount of the difference has been levied. The funds collected from the corrected levies shall be used to reimburse the county for the payment required by subdivision 1.

Sec. 24. Minnesota Statutes 1988, section 275.28, subdivision 1, is amended to read:

Subdivision 1. [AUDITOR TO MAKE.] The county auditor shall make out the tax lists according to the prescribed form, and to

correspond with the assessment districts. The rate percent necessary to raise the required amount of the various taxes shall be calculated on the gross tax capacity of property as determined by the state board of equalization, but, in calculating such rates, no rate shall be used resulting in a fraction other than a decimal fraction, or less than one-tenth of a mill a gross tax capacity rate of .01 percent or a net tax capacity rate of .01 percent; and, in extending any tax, whenever it amounts to the fractional part of a cent, it shall be made one cent. The tax lists shall also be made out to correspond with the assessment books in reference to ownership and description of property, with columns for the valuation and for the various items of tax included in the total amount of all taxes set down opposite each description; and, opposite each description which has been sold for taxes, and which is subject to redemption, but not redeemed, shall be placed the words "sold for taxes." The amount of all special taxes shall be entered in the proper columns, but the general taxes may be shown by entering the rate percent of each tax at the head of the proper columns, without extending the same, in which case a schedule of the rates percent of such taxes shall be made on the first page of each tax list. If the auditor shall ~~fail~~ fails to enter on any such list before its delivery to the treasurer any tax levied, such the tax may be subsequently entered. The tax lists shall be deemed completed, and all taxes extended thereon, as of October 16 annually.

Sec. 25. Minnesota Statutes 1988, section 275.56, is amended to read:

275.56 [EFFECT UPON OTHER LEVY LIMITS.]

All special and general laws and charter provisions establishing per capita, mill, tax capacity rate, or other general limitations on tax levies of governmental subdivisions are hereby superseded to the extent that they authorize property taxation in excess of the limitations established by sections 275.50 to 275.56, but otherwise such levy limitations and those established for special purposes are in no way affected by sections 275.50 to 275.56.

Sec. 26. Minnesota Statutes 1988, section 275.58, subdivision 1, is amended to read:

Subdivision 1. Notwithstanding the provisions of sections 275.50 to 275.56, but subject to other law or charter provisions establishing per capita, mill, tax capacity rate, or other limitations on the amount of taxes that may be levied, the levy of a governmental subdivision, as defined by section 275.50, subdivision 1, may be increased above the limitation imposed by sections 275.50 to 275.56 in any per capita or dollar amount which is approved by the majority of voters of the governmental subdivision voting on the question at a general or special election. When the governing body of the governmental subdivision resolves to increase the levy of the gov-

ernmental subdivision pursuant to this section, it shall provide for submission of the proposition of an increase in the levy limit base per capita or the proposition of an additional levy, as the case may be, at a general or special election. Notice of ~~such the~~ election shall be given in the manner required by law. If the proposition is for an adjustment to the governmental subdivision's levy limit base per capita, increasing the levy limit base per capita over the per capita amount established pursuant to section 275.51, subdivision 3, ~~such the~~ notice shall state the purpose of ~~such the~~ per capita adjustment and the per capita amount of ~~such the~~ adjustment. If the proposition is for an additional levy, ~~such the~~ notice shall state the purpose and maximum yearly amount of ~~such the~~ additional levy.

Sec. 27. Minnesota Statutes 1988, section 298.28, subdivision 4, is amended to read:

Subd. 4. [SCHOOL DISTRICTS.] (a) 27.5 cents per taxable ton plus the increase provided in paragraph (d) must be allocated to qualifying school districts to be distributed, based upon the certification of the commissioner of revenue, under paragraphs (b) and (c).

(b) 5.5 cents per taxable ton must be distributed to the school districts in which the lands from which taconite was mined or quarried were located or within which the concentrate was produced. The distribution must be based on the apportionment formula prescribed in subdivision 2.

(c)(i) 22 cents per taxable ton, less any amount distributed under paragraph (e), shall be distributed to a group of school districts comprised of those school districts ~~wherein in which~~ the taconite was mined or quarried or the concentrate produced or in which there is a qualifying municipality as defined by section 273.134 in direct proportion to school district indexes as follows: for each school district, its pupil units determined under section 124.17 for the prior school year shall be multiplied by the ratio of the average adjusted gross tax capacity per pupil unit for school districts receiving aid under this clause as calculated pursuant to chapter 124A for the school year ending prior to distribution to the adjusted gross tax capacity per pupil unit of the district. Each district shall receive that portion of the distribution which its index bears to the sum of the indices for all school districts that receive the distributions.

(ii) Notwithstanding clause (i), each school district that receives a distribution under sections 298.018; 298.23 to 298.28, exclusive of any amount received under this clause; 298.34 to 298.39; 298.391 to 298.396; 298.405; or any law imposing a tax on severed mineral values that is less than the amount of its levy reduction under section 275.125, subdivision 9, for the second year prior to the year of the distribution shall receive a distribution equal to the difference; the amount necessary to make this payment shall be derived

from proportionate reductions in the initial distribution to other school districts under clause (i).

(d) On July 15, in years prior to 1988, an amount equal to the increase derived by increasing the amount determined by paragraph (c) in the same proportion as the increase in the steel mill products index over the base year of 1977 as provided in section 298.24, subdivision 1, clause (a), shall be distributed to any school district described in paragraph (c) where a levy increase pursuant to section 124A.03, subdivision 2, is authorized by referendum, according to the following formula. On July 15, 1988, the increase over the amount established for 1987 shall be determined as if there had been an increase in the tax rate under section 298.24, subdivision 1, paragraph (b), according to the increase in the implicit price deflator. On July 15, 1989, and subsequent years, the increase over the amount established for the prior year shall be determined according to the increase in the implicit price deflator as provided in section 298.24, subdivision 1, paragraph (a). Each district shall receive the product of:

(i) \$150 times the pupil units identified in section 124.17, subdivision 1, enrolled in the second previous year or the 1983-1984 school year, whichever is greater, less the product of $1\frac{3}{4}$ mills 0.04231 percent times the district's taxable valuation market value in the second previous year; times

(ii) the lesser of:

(A) one, or

(B) the ratio of the amount certified pursuant to section 124A.03, subdivision 2, in the previous year, to the product of $1\frac{3}{4}$ mills 0.04231 percent times the district's taxable valuation market value in the second previous year.

If the total amount provided by paragraph (d) is insufficient to make the payments herein required then the entitlement of \$150 per pupil unit shall be reduced uniformly so as not to exceed the funds available. Any amounts received by a qualifying school district in any fiscal year pursuant to paragraph (d) shall not be applied to reduce general education aid which the district receives pursuant to section 124A.23 or the permissible levies of the district. Any amount remaining after the payments provided in this paragraph shall be paid to the commissioner of iron range resources and rehabilitation who shall deposit the same in the taconite environmental protection fund and the northeast Minnesota economic protection trust fund as provided in subdivision 11.

(e) There shall be distributed to any school district the amount which the school district was entitled to receive under section 298.32 in 1975.

Sec. 28. Minnesota Statutes 1988, section 298.282, subdivision 2, is amended to read:

Subd. 2. (a) Each year following the final determination of the amount of taxes payable under section 298.24, the commissioner of revenue shall determine the amount in the taconite municipal aid account as of July 1 of such that year and the amount to be distributed to each qualifying municipality during such the year. The amount to be distributed to each qualifying municipality shall be determined by determining an index for each qualifying municipality by subtracting its local effort tax capacity rate, multiplied by its equalized gross tax capacity, from its fiscal need factor. For the purposes of this subdivision, the following terms have the meanings given them herein. A municipality's "local effort tax capacity rate" means its fiscal need factor per capita divided by ~~\$17~~ \$21 per capita ~~per mill for each one percent of the gross tax capacity rate or \$17 per capita for each one percent of the net tax capacity rate for the first~~ \$350 of its fiscal need factor per capita; plus its fiscal need factor per capita divided by \$15 \$18 per capita ~~per mill for each one percent of the gross tax capacity rate or \$15 per capita for each one percent of the net tax capacity rate on that part of its fiscal need factor per capita, if any, in excess of \$350.~~ In no case shall a municipality's local effort tax capacity rate be less than ~~eight mills: a gross tax capacity rate of 6.56 percent or a net tax capacity rate of 8.16 percent.~~ A municipality's "equalized captured gross tax capacity" means its previous year tax capacity, less the tax capacity in any tax increment district, divided by the municipality's aggregate sales ratio covering the period ending two years prior to the year of aid distribution. A municipality's "fiscal need factor" means the three-year average of the sum of its municipal levy, taconite aids received under section 298.28, subdivisions 2, 11, paragraph (b), and this section and its local government aid distribution amount, for taxes payable and distribution amounts receivable in the three years immediately preceding the aid distribution year.

The ratio of the resulting index for each qualifying municipality to the sum of all qualifying municipalities' indexes shall be multiplied by the total amount in the taconite municipal aid account less the amount distributed pursuant to subdivision 5. ~~For the distribution made in 1987, one-third of the distribution shall be distributed pursuant to this subdivision and two-thirds pursuant to Minnesota Statutes 1984, section 298.282, subdivision 2. For the distribution made in 1988, two-thirds shall be distributed pursuant to this subdivision and one-third pursuant to Minnesota Statutes 1984, section 298.282, subdivision 2.~~

(b) If the distribution under this section, sections 273.138, 298.26 and 298.28, and chapter 477A, to any municipality would exceed that municipality's levy limit base for that year, computed pursuant to sections 275.50 to 275.58, the amount in excess of the levy limit base for that year shall reduce the amount distributed to the

municipality under this section and this excess amount shall be distributed to the other qualifying municipalities in the same manner as the distribution made pursuant to subdivision 2, except that the qualifying municipality receiving an initial distribution when added to that received pursuant to sections 273.138, 298.26, 298.28, and chapter 477A in excess of the qualifying municipality's levy limit base, shall not receive a distribution nor shall its index be used in computing the distribution pursuant to this clause. The distributions to be received in the year in which the taxes are payable shall be compared to the levy limit base for that same year. Upon completion of such the determination, the commissioner of revenue shall certify to the chief clerical officer of each qualifying municipality the amount which will be distributed to such the municipality from the taconite municipal aid account that year.

Sec. 29. Minnesota Statutes 1988, section 366.27, is amended to read:

366.27 [FIREFIGHTERS' RELIEF; TAX LEVY.]

The town board of any town in this state having therein a platted portion on which there reside resides 1,200 or more people, and wherein a duly incorporated firefighters' relief association is located may each year at the time the tax levies for the support of the town are made and in addition thereto levy a tax not to exceed one-third of one mill on all taxable property within the town 0.00806 percent of taxable market value for the benefit of such the relief association.

Sec. 30. Minnesota Statutes 1988, section 373.40, subdivision 4, is amended to read:

Subd. 4. [LIMITATIONS ON AMOUNT.] A county, other than Hennepin or Ramsey, may not issue bonds under this section if the maximum amount of principal and interest to become due in any year on all the outstanding bonds issued pursuant to this section (including the bonds to be issued) will equal or exceed one mill multiplied by the taxable gross tax capacity 0.05367 percent of taxable market value of property in the county. Ramsey county may not issue bonds under this section if the maximum amount of principal and interest to become due in any year on all the outstanding bonds issued pursuant to this section (including the bonds to be issued) will equal or exceed 1.2 mills multiplied by the taxable gross tax capacity 0.06455 percent of taxable market value of property in the county. Hennepin county may not issue bonds under this section if the maximum amount of principal and interest to become due in any year on all the outstanding bonds issued pursuant to this section together with the bonds proposed to be issued, will equal or exceed one-half mill multiplied by the taxable gross tax capacity 0.02684 percent of taxable market value of the property in the county. Calculation of the limit must be made using the taxable gross tax capacity market value for the taxes payable year in which the

obligations are issued and sold. This section does not limit the authority to issue bonds under any other special or general law.

Sec. 31. Minnesota Statutes 1988, section 373.40, subdivision 6, is amended to read:

Subd. 6. [BUILDING FUND LEVY.] (a) If a county other than Hennepin has an approved capital improvement plan, the county board may annually levy an amount equal to one mill 0.05367 percent of taxable market value, less the amount levied to pay principal and interest on bonds issued under this section. If the Hennepin county board has an approved capital improvement plan, the county board may annually levy an amount equal to one-half mill 0.02684 percent of taxable market value, less the amount levied to pay principal and interest on bonds issued under this section. The proceeds of this levy must be deposited in the county building fund under section 373.25 and may only be expended for capital improvements as provided in the approved capital improvement plan.

(b) The maximum amount of the levy, when added to the unexpended balance in the building fund, must not exceed the projected cost of the remaining improvements in the capital improvement plan. A levy made under this section is not subject to any other levy limitation, nor may the levy be included in the computation of any other levy limitation.

(c) This subdivision and the exercise of levy authority under it does not supersede or preempt the authority to levy under section 373.25 or any other law.

Sec. 32. Minnesota Statutes 1988, section 375.167, subdivision 1, is amended to read:

Subdivision 1. [APPROPRIATIONS.] Notwithstanding any contrary law, a county board may appropriate from the general revenue fund to any nonprofit corporation a sum not to exceed one-fourth of a mill on the dollar of the taxable gross tax capacity of the county an amount equal to a levy of 0.00604 percent of taxable market value to provide legal assistance to persons who are unable to afford private legal counsel. This levy is subject to the levy limits established by sections 275.50 to 275.58.

Sec. 33. Minnesota Statutes 1988, section 375.18, subdivision 3, is amended to read:

Subd. 3. [COURTHOUSE.] Each county board may erect, furnish, and maintain a suitable courthouse. No indebtedness shall be created for a courthouse in excess of 1³/₄ mills on each dollar of gross tax capacity an amount equal to a levy of 0.04030 percent of taxable market value without the approval of a majority of the voters of the

county voting on the question of issuing the obligation at an election.

Sec. 34. Minnesota Statutes 1988, section 375.555, is amended to read:

375.555 [FUNDING.]

To implement the county emergency jobs program, the county board may expend an amount equal to what would be generated by a levy of 0.5 mills on all taxable property within the county 0.01209 percent of taxable market value. The money to be expended may be from any available funds not otherwise earmarked.

Sec. 35. Minnesota Statutes 1988, section 383A.03, subdivision 4, is amended to read:

Subd. 4. [ICE ARENAS AND GALL'S GOLF COURSE.] Ramsey county may levy, annually, a tax not to exceed one mill 0.02418 percent of taxable market value for the acquisition and construction of nine artificial ice arenas and a golf course; to pay the interest on the bonds as it accrues and to pay the principal thereof in full at maturity, and not to exceed one-half mill 0.01209 percent of taxable market value to provide for the operation of these facilities. The board of county commissioners shall levy a tax for this purpose.

Sec. 36. Minnesota Statutes 1988, section 383A.411, subdivision 5, is amended to read:

Subd. 5. In substitution of, but not in addition to, powers granted to Ramsey county in subdivision 4, Ramsey county may levy and collect a tax, not to exceed the lesser of \$5,000,000 or two mills, upon all taxable property in Ramsey county 0.04835 percent of taxable market value to finance the construction, installation, modification, or improvement of heating, cooling, and domestic hot water systems serving buildings owned in whole or part, operated, or maintained by the county or Ramsey county medical center commission. A levy made pursuant to this subdivision shall not be subject to any limitation provided by other law.

Sec. 37. Minnesota Statutes 1988, section 383A.49, subdivision 2, is amended to read:

Subd. 2. [EMERGENCY APPROPRIATIONS.] To meet a public emergency affecting life, health, property or the public peace, and to the extent that there are no available unappropriated revenues to meet the emergency, the board may, by unanimous vote, authorize the issuance of emergency notes. These notes may be renewed from time to time but the emergency notes and renewals in a fiscal year shall be paid not later than the last day of the fiscal year next

succeeding that in which the emergency appropriation was made. The issuance and payment of these notes is subject to the mill limits on taxing power established by law for Ramsey county.

Sec. 38. Minnesota Statutes 1988, section 383B.152, is amended to read:

383B.152 [BUILDING AND MAINTENANCE FUND.]

The county board may by resolution levy a direct general ad valorem tax upon all taxable property in the county to provide money which shall be kept in a fund known as the county reserve building and maintenance fund and. Money in the fund shall be used solely for the construction, maintenance and equipping of such county buildings as are now or hereafter may be that are constructed or maintained by the board. The levy shall not be subject to any limit fixed by any other law except the limitations imposed in sections 275.50 to 275.56 or by any board of tax levy or other corresponding body, but shall not exceed a sum equal to $11/12$ mills times the gross tax capacity of all taxable property in the county in any year 0.02215 percent of taxable market value, less the amount required by chapter 475 to be levied in such the year for the payment of the principal of and interest on all bonds issued pursuant to Extra Session Laws 1967, chapter 47, section 1.

Sec. 39. Minnesota Statutes 1988, section 383B.245, is amended to read:

383B.245 [MILL LEVY.]

The county board may also levy a tax of not more than ~~two-thirds~~ mills 0.01612 percent of market value on taxable property within the county outside of any city in which is situated a free public library of the city to acquire, better and construct county library buildings and branches and to pay principal and interest on bonds issued for that purpose. The levy of the tax shall not cause the amount of other taxes levied or to be levied by the county, which are subject to any limitation, to be reduced in any amount whatsoever.

The county board may by resolution adopted by a five-sevenths vote issue and sell general obligation bonds of the county in the manner provided in sections 475.60 to 475.73. The bonds shall not be subject to the limitations of sections 475.51 to 475.59, but the maturity years and amounts and interest rates of each series of bonds shall be fixed so that the maximum amount of principal and interest to become due in any year, on the bonds of that series and of all outstanding series issued by or for the purposes of libraries, shall not exceed an amount equal to ~~two-thirds~~ mills times the gross tax capacity 0.01612 percent of market value of all taxable property in the county, which was not taxed in 1987 by any city for the support of any free public library, as last finally equalized before the

issuance of the new series. When the tax levy authorized in this section is collected it shall be appropriated and credited to a debt service fund for the bonds in amounts required each year in lieu of a countywide tax levy for the debt service fund under section 475.61.

Sec. 40. Minnesota Statutes 1988, section 383B.73, subdivision 1, is amended to read:

Subdivision 1. [LEVY.] To provide funds for the purposes of the Hennepin county park reserve district as set forth in its annual budget, in lieu of the levies authorized by any other special law for such purposes, the board of park district commissioners may levy taxes on all the taxable property in the county and park district at a rate not exceeding 1.3 mills on the gross tax capacity thereof 0.03224 percent of market value. Notwithstanding section 398.16, on or before October 1 of each year, after public hearing, the board of park district commissioners shall adopt a budget for the ensuing year and shall determine the total amount necessary to be raised from ad valorem tax levies to meet its budget. The board of park district commissioners shall submit the budget to the county board. The county board may veto or modify an item contained in the budget. If the county board determines to veto or to modify an item in the budget, it must, within 15 days after the budget was submitted by the district board, state in writing the specific reasons for its objection to the item vetoed or the reason for the modification. The park reserve district board, after consideration of the county board's objections and proposed modifications, may reapprove a vetoed item or the original version of an item with respect to which a modification has been proposed, by a two-thirds majority. If the district board does not reapprove a vetoed item, the item shall be deleted from the budget. If the district board does not reapprove the original version of a modified item, the item shall be included in the budget as modified by the county board. After adoption of the final budget and no later than October 1, the superintendent of the park district shall certify to the office of the Hennepin county director of tax and public records exercising the functions of the county auditor the total amount to be raised from ad valorem tax levies to meet its budget for the ensuing year. The director of tax and public records shall add the amount of any levy certified by the district to other tax levies on the property of the county within the district for collection by the director of tax and public records with other taxes. When collected, the director shall make settlement of such taxes with the district in the same manner as other taxes are distributed to the other political subdivisions in Hennepin county. The levy authorized by this section shall be in addition to any other taxes authorized by law.

Sec. 41. Minnesota Statutes 1988, section 383B.73, subdivision 2, is amended to read:

Subd. 2. [BONDS.] To provide funds for the acquisition and

betterment of park properties and facilities of the district in accordance with plans filed by it under section 398.19, upon request of the board of park district commissioners by a resolution or resolutions regularly adopted by a majority of all members thereof, the board of county commissioners of Hennepin county may, prior to August 1, 1985, in addition to bonds issued by the county for this purpose before January 1, 1973, by resolution issue and sell general obligation bonds of the county in the manner provided in sections 475.60 to 475.753, in an aggregate amount not exceeding \$2,500,000. Taxes for the payment of the principal of and interest on such bonds shall be assessed and extended upon all taxable property in the county. Such bonds shall not be subject to the limitations of sections 475.51 to 475.59, but the maturity years and amounts and interest rates of each series of bonds shall be fixed so that the maximum amount of principal and interest to become due in any year on the bonds authorized by this law and all bonds issued by the county for the purposes of the district before January 1, 1973, shall not exceed an amount equal to three-tenths of one mill times the gross tax capacity of a levy of 0.00725 percent of market value on all taxable property in the county as last finally equalized before the issuance of the new series. Taxes for the payment of principal and interest on bonds issued after August 1, 1985 shall be assessed and extended upon all taxable property in the park district.

Sec. 42. Minnesota Statutes 1988, section 383C.42, subdivision 1, is amended to read:

Subdivision 1. [AUTHORITY.] To provide necessary funds to construct and maintain county or regional juvenile detention and/or treatment centers and to provide matching funds for any federal, state or regional grant, the county boards of St. Louis, Carlton, Cook, Lake, Itasca, Koochiching and Aitkin counties may levy annually upon all taxable property in their respective counties, a special tax in excess of any tax capacity rate, per capita, or other statutory limitation, but such levy shall that does not exceed 1½ mills 0.01209 percent of market value.

Sec. 43. Minnesota Statutes 1988, section 398A.04, subdivision 8, is amended to read:

Subd. 8. [TAXATION.] Before deciding to exercise the power to tax, the authority shall give six weeks published notice in all municipalities in the region. If a number of voters in the region equal to five percent of those who voted for candidates for governor at the last gubernatorial election present a petition within nine weeks of the first published notice to the secretary of state requesting that the matter be submitted to popular vote, it shall be submitted at the next general election. The question prepared shall be:

"Shall the regional rail authority have the power to impose a property tax?

Yes
No

If a majority of those voting on the question approve or if no petition is presented within the prescribed time the authority may thereafter levy a tax at any annual rate not exceeding two mills on the gross tax capacity 0.04835 percent of market value of all taxable property situated within the municipality or municipalities named in its organization resolution. Its recording officer shall file in the office of the county auditor of each county in which territory under the jurisdiction of the authority is located a certified copy of the board of commissioners' resolution levying the tax, and each county auditor shall assess and extend upon the tax rolls of each municipality named in the organization resolution the portion of the tax that bears the same ratio to the whole amount that the gross tax capacity of taxable property in that municipality bears to the gross tax capacity of taxable property in all municipalities named in the organization resolution. Collections of the tax shall be remitted by each county treasurer to the treasurer of the authority.

Sec. 44. Minnesota Statutes 1988, section 412.251, is amended to read:

412.251 [ANNUAL TAX LEVY.]

The council shall make its annual tax levy by resolution within the per capita limits established by statute. The amount of taxes levied for general city purposes shall not exceed 11 3/4 mills on each dollar of the gross tax capacity of the property taxable in the city 0.28207 percent of taxable market value in cities having a gross tax capacity taxable market value of less than \$1,500,000 \$6,200,000 and ten mills on each dollar 0.24177 percent of taxable market value in cities having a gross tax capacity taxable market value of more than \$1,500,000 \$6,200,000. In calculating such limit property used for homestead purposes shall be figured as provided in section 273.13, subdivision 7a. The following taxes may be levied in addition to the levies above authorized:

(1) a tax for the payment of principal and interest on outstanding obligations of the city as provided by sections 475.61, 475.73 and 475.74;

(2) a tax for the payment of judgments as authorized by section 465.14;

(4) (3) a maximum of one-third of one mill 0.00805 percent of taxable market value but not to exceed \$500 to provide musical

entertainment to the public in public buildings or on public grounds;

(5) (4) a tax for band purposes as authorized by section 449.09;

(6) (5) a tax for the support of a municipal forest, as authorized by section 459.06;

(7) (6) a tax for advertising purposes, as authorized by section 469.189;

(8) (7) a tax for forest fire protection in any city in a forest area, as authorized by section 88.04;

(9) (8) a maximum of ~~1 3/4 mills~~ 0.04030 percent of taxable market value for the utilities fund in any city whose utilities are under the jurisdiction of a public utilities commission. ~~Such~~ The tax shall be levied for the purpose of paying the cost of the utility service or other services supplied to the city;

(10) (9) a tax for the support of a public library, as authorized by section 134.07;

(11) (10) a tax for firefighters' relief association purposes as authorized by sections 69.772, subdivision 4, 69.773, subdivision 5, or other statutes; and

(12) ~~Such~~ (11) other special taxes as may be authorized by law.

Nothing in this section shall be construed to reduce levies of any municipality below the per capita levy spread in 1970.

Sec. 45. Minnesota Statutes 1988, section 412.531, subdivision 1, is amended to read:

Subdivision 1. [ESTABLISHMENT, TRANSFER; TAX LEVIES.] For the purpose of carrying out the powers of the park board there shall be established in the city treasury a special fund to be called a park fund. The council may transfer to the park fund such moneys as it shall consider the money it deems necessary for park purposes. No later than September 1 of each year the park board shall present to the council in such the detail as the council shall require requires its estimate of the financial needs of the board for the ensuing fiscal year. In any county having a population of more than 200,000 the council of any city, whether having a park board or not, may annually at the time of levying other taxes levy a special tax of not to exceed two-thirds of one mill 0.01620 percent of taxable market value for park purposes. The proceeds of this tax shall be placed in the park fund.

Sec. 46. Minnesota Statutes 1988, section 414.035, is amended to read:

414.035 [DIFFERENTIAL TAXATION.]

Whenever a board order, under section 414.031, 414.0325, or 414.033, annexes part or all of a township to a municipality, the board may provide that the mill levy tax rate of the annexing municipality on the area annexed shall be increased in substantially equal proportions over not more than six years to equality with the mill levy tax rate on the property already within the municipality. The appropriate period, if any, shall be based on the time reasonably required to effectively provide full municipal services to the annexed area.

Sec. 47. Minnesota Statutes 1988, section 414.041, subdivision 7, is amended to read:

Subd. 7. [DIFFERENTIAL TAXATION.] Where one municipality is receiving substantially fewer municipal services, the board may provide that the mill levy tax rate of such a the municipality shall be increased in substantially equal proportions over a period of not more than five years to equality with the mill levy tax rate in the remainder of the new municipality, such. The period ~~to~~ shall be determined by the board on the basis of the period reasonably required effectively to provide substantially equal municipal services.

Sec. 48. Minnesota Statutes 1988, section 426.04, is amended to read:

426.04 [TAXES FOR GENERAL PURPOSES.]

The governing body of any home rule charter city of the third or fourth class in this state is hereby ~~authorized to~~ may levy taxes annually against the taxable property in any such city for all general fund purposes, not exceeding 13 $\frac{1}{4}$ mills on the dollar of the gross tax capacity of the city, computed as permitted under section 273.13, subdivision 7a. If 0.32237 percent of taxable market value unless the charter of such the city authorizes it to levy taxes for general fund purposes in excess of 13 $\frac{1}{4}$ mills on the dollar, these provisions shall not limit any such city that amount. This section does not apply to a third class city which is contiguous to a city of the first class located in a different county or to a fourth class city in a county containing a first class city.

Sec. 49. Minnesota Statutes 1988, section 447.10, is amended to read:

447.10 [TAX LEVY FOR OPERATING AND MAINTAINING HOSPITAL.]

The governing body of a city of the first class owning a hospital may annually levy a tax to operate and maintain the hospital. The tax must not exceed one-third of one mill on each dollar of the city's taxable property 0.00806 percent of taxable market value.

Sec. 50. Minnesota Statutes 1988, section 449.06, is amended to read:

449.06 [ENTERTAINMENT TAX IN CITIES OF THE FOURTH CLASS.]

The governing body of any city of the fourth class in this state operating under a home rule charter of commission form of government, is hereby authorized to annually may levy a tax not exceeding one-half of one mill on the dollar in excess of existing mill limitations but not in excess of any existing per capita limitations against taxable property in the city 0.01209 percent of taxable market value for the purpose of providing musical entertainments to the public in public buildings or upon public grounds. The total sum that may be levied or expended in any year shall not exceed the sum of \$3,500.

Sec. 51. Minnesota Statutes 1988, section 449.08, is amended to read:

449.08 [TAX LEVY FOR MUSICAL ENTERTAINMENTS IN CITIES OF THE THIRD CLASS.]

The council of any city of the third class is hereby authorized and empowered to may levy a tax of not exceeding one-third of one mill on all the taxable property within the city 0.00806 percent of taxable market value for the purpose of providing free musical entertainment for the general public. This tax shall be levied by the council in the same manner and at the same times as taxes for other purposes are levied, and shall be collected in the same manner. The proceeds of this tax shall be used only for the purpose of providing free musical entertainment for the public. The annual expenditure for this purpose is hereby limited to the sum of \$3,000.

Sec. 52. Minnesota Statutes 1988, section 449.09, is amended to read:

449.09 [BANDS, ORCHESTRAS OR CHORUSES, TAX LEVY.]

Cities of the second, third, or fourth class, statutory cities, or towns, however organized, may, when authorized as hereinafter provided in section 449.10, levy each year a tax not to exceed one mill 0.02418 percent of taxable market value for the purpose of

providing a fund for the maintenance, transportation, or employment of a band, orchestra, or chorus for municipal purposes. No levy by any municipality shall exceed, in any one year, \$10,000 except in cities of the second class, situated in a county having over 45,000 and less than 49,000 inhabitants according to the 1950 federal census, ~~wherein such in which~~ the levy shall not exceed \$25,000 in any one year. No levy by any town shall exceed \$1,500. All sums shall be separately levied and when collected these sums shall be paid into a special fund and used for these purposes. When taxes are levied and collected for the maintenance or employment of a band, orchestra, or chorus for municipal purposes and the band, orchestra, or chorus is discontinued or the city or town by a vote of the people as now provided by law decide not to employ a band, orchestra, or chorus, the governing body may transfer the sums so levied and collected to the general fund; No levy shall be made of for any such fund when there is in the fund an unexpended balance equal to the maximum levy permitted by law ~~therefor~~ this section.

Sec. 53. Minnesota Statutes 1988, section 449.10, is amended to read:

449.10 [TAX LEVY ELECTION; PETITION.]

~~Such~~ The authority shall be initiated by a petition signed by ten percent of the legal voters of the city or town, as shown by the last regular municipal election. This petition shall be filed with the governing body of the city or town, and shall request that the following question be submitted to the voters: "Shall a tax of not exceeding . . . mills percent of tax capacity be levied each year for the purpose of furnishing a band, orchestra, or chorus fund?"

Sec. 54. Minnesota Statutes 1988, section 450.19, is amended to read:

450.19 [TOURIST CAMPING GROUNDS.]

All cities and towns in the state are hereby authorized and empowered to A home rule charter or statutory city or town may establish and maintain public tourist camping grounds and. The council or other legislative or governing body thereof is hereby empowered to may acquire, by lease, purchase, or by gift, suitable lands located either within or without the corporate limits for use as public tourist camping grounds and to provide for the equipment, operation, and maintenance of the same. The amount that may be expended for the maintenance, improvement, or operation of tourist camping grounds shall not exceed, in any one year, a sum equal to the amount which may be raised by a one-third of one mill tax upon the taxable property of the municipality of 0.00806 percent of taxable market value.

Sec. 55. Minnesota Statutes 1988, section 450.25, is amended to read:

450.25 [MUSEUM, GALLERY, OR SCHOOL OF ARTS OR CRAFTS; TAX LEVY.]

After the ~~acquisition~~ acquisition of any museum, gallery or school of arts or crafts, ~~there shall be annually levied and it shall be the duty of the board of park commissioners of the city in which it is located any museum, gallery, or school of arts or crafts to shall cause to be included in the annual tax levy, upon all the taxable property of the county in which is located said the museum, gallery, or school of arts or crafts is located, a tax of .35 mills upon each dollar of the gross tax capacity of property in the county in which is located said museum, gallery, or school of arts or crafts subject to taxation, and of 0.00846 percent of market value. The board shall certify the levy to the county auditor of the county in which the museum, gallery, or school of arts or crafts is situated, and the same it shall be added to, and collected with and as part of, the general, real, and personal property taxes, with like penalties and interest, in case of nonpayment and default, and all provisions of law in respect to the levy, collection, and enforcement of other taxes shall, so far as applicable, be followed in respect of these taxes. All of these taxes, penalties, and interest, when collected, shall be paid to the city treasurer of the city in which is located said the museum, gallery, or school of arts or crafts and shall be credited to a fund to be known and denominated as the park museum fund, and shall be used only for the purposes specified in sections 450.23 to 450.25, and for no other purpose. Any part of the proceeds of the levy not expended for the purposes specified in section 450.24 may be used for the erection of new buildings for the same purposes. The tax capacity rate referred to herein shall be mills as determined after the adoption of section 273.1102.~~

Sec. 56. Minnesota Statutes 1988, section 458A.10, is amended to read:

458A.10 [PROPERTY TAX.]

The commission shall ~~subject to the further provisions hereof,~~ annually levy a ~~direct tax not to exceed five mills~~ 0.12089 percent of market value on all the taxable property in the transit area at a rate sufficient to produce an amount necessary for the purposes of sections 458A.01 to 458A.15, other than the payment of principal and interest due on any revenue bonds issued pursuant to section 458A.05. Property taxes levied under this section shall be certified by the commission to the county auditors of the transit area, extended, assessed, and collected in ~~like the manner as provided by law for the regular property taxes levied by the governing bodies of cities. The proceeds of the taxes levied under this section shall be remitted by the respective county treasurers to the treasurer of the~~

commission, who shall credit the same to the funds of the commission for use for the purposes of sections 458A.01 to 458A.15 subject to any applicable pledges or limitations on account of tax anticipation certificates or other specific purposes. At any time after making a tax levy under this section and certifying the same it to the county auditors, the commission may issue general obligation certificates of indebtedness in anticipation of the collection of such the taxes upon like procedure and subject to the provisions and limitations as provided by section 412.261.

Sec. 57. Minnesota Statutes 1988, section 458A.31, subdivision 1, is amended to read:

Subdivision 1. Notwithstanding anything to the contrary contained in the charter of the city of Duluth, any ordinance thereof, or any statute applicable thereto, limiting the amount levied in any one year for general or special purposes, the city council of the city of Duluth shall each year, at the time the tax levies for the support of the city are made, levy a tax on all taxable property in an amount not to exceed three mills in any year 0.07253 percent of taxable market value, by ordinance. An ordinance fixing the levy shall take effect immediately upon its passage and approval. The proceeds from such of the levy shall be paid into the city treasury, and shall be deposited in the operating fund provided for in section 458A.24, subdivision 3.

Sec. 58. Minnesota Statutes 1988, section 459.06, subdivision 1, is amended to read:

Subdivision 1. [ACCEPT DONATIONS.] Any county, city, or town in this state, may by resolution of the its governing body thereof, may accept donations of land that such the governing body may deem deems to be better adapted for the production of timber and wood than for any other purpose, for a forest, and may manage the same it on forestry principles. The donor of not less than 100 acres of any such land shall be entitled to have the same land perpetually bear the donor's name. The governing body of any city, or town in this state, when funds are available or have been levied therefor, may, when authorized by a majority vote by ballot of the voters voting at any general or special city election or town meeting where such the question is properly submitted, purchase or obtain by condemnation proceedings, and preferably at the sources of streams, any tract of land for a forest which is better adapted for the production of timber and wood than for any other purpose, and which is conveniently located for the purpose, and manage the same it on forestry principles. The selection of such the lands and the plan of management thereof shall have the approval of must be approved by the director of lands and forestry. Such The city or town is authorized to may levy and collect an annual a tax of not exceeding 1 3/4 mills on the dollar of its real estate gross tax capacity, in addition to all other taxes authorized or permitted by law, 0.04030

percent of taxable market value to procure and maintain such forests.

Sec. 59. Minnesota Statutes 1988, section 459.14, subdivision 2, is amended to read:

Subd. 2. [FINANCING.] ~~Any such~~ The municipality may pay for any portion of the cost of providing automobile parking facilities by:

(a) (1) appropriating ~~moneys therefor~~ money as authorized in subdivision 1;

(b) (2) levying a tax, not exceeding ~~one-sixth of one mill in any one year, on all taxable property in the municipality~~ 0.00403 percent of taxable market value;

(c) (3) levying special assessments against benefited property;

(d) (4) appropriating any or all net revenues derived from the operation of its parking facilities;

(e) (5) classifying the users of ~~such~~ the facilities as a subject for taxation, and imposing taxes thereon computed according to the extent of use of the facilities;

(f) (6) imposing reasonable rates, rents, fees and charges for the use of any on-street or off-street parking privilege or facility, which may be in excess of actual cost of operation, maintenance, regulation and supervision of parking at the particular location where the privilege is exercised;

(g) (7) leasing any off-street facilities at specified or determinable rents to be paid to the municipality under a lease made as herein-after authorized and limited provided in subdivision 4;

(h) (8) borrowing money and issuing bonds as authorized and limited by subdivision 3; or

(i) (9) any combination of ~~all or any~~ of the foregoing.

Sec. 60. Minnesota Statutes 1988, section 462.396, subdivision 2, is amended to read:

Subd. 2. On or before August 20, 1971, and each year thereafter, the commission shall submit its proposed budget for the ensuing calendar year showing anticipated receipts, disbursements and ad valorem tax levy with a written notice of the time and place of the public hearing on the proposed budget to each county auditor and municipal clerk within the region and those town clerks who in advance have requested a copy of the budget and notice of public

hearing. On or before October 1, 1971, and each year thereafter, the commission shall adopt, after a public hearing held not later than September 20, a budget covering its anticipated receipts and disbursements for the ensuing year and shall decide upon the total amount necessary to be raised from ad valorem tax levies to meet its budget. After adoption of the budget and no later than October 1, the secretary of the commission shall certify to the auditor of each county within the region the county share of ~~such~~ the tax, which shall be an amount bearing the same proportion to the total levy agreed on by the commission as the gross tax capacity of the county bears to the gross tax capacity of the region. The maximum amount of any levy made for the purposes of sections 462.381 to 462.398 shall not exceed ~~one-sixth of one mill on each dollar of gross tax capacity of 0.00403 percent of market value on all taxable property~~ in the region. The auditor of each county in the region shall add the amount of any levy made by the commission within the limits imposed by this subdivision to other tax levies of the county for collection by the county treasurer with other taxes. When collected the county treasurer shall make settlement of ~~such~~ the taxes with the commission in the same manner as other taxes are distributed to political subdivisions. The levy authorized by this section shall be in addition to any other county taxes authorized by law.

Sec. 61. Minnesota Statutes 1988, section 469.033, subdivision 6, is amended to read:

Subd. 6. [OPERATION AREA AS TAXING DISTRICT, SPECIAL TAX.] All of the territory included within the area of operation of any authority shall constitute a taxing district for the purpose of levying and collecting special benefit taxes as provided in this subdivision. All of the taxable property, both real and personal, within that taxing district shall be deemed to be benefited by projects to the extent of the special taxes levied under this subdivision. Subject to the consent by resolution of the governing body of the city in and for which it was created, an authority may levy each year a special tax upon all taxable property, both real and personal, within that taxing district. The authority shall ~~cause certify~~ the tax so levied each year to be certified to the auditor of the county in which the taxing district is located on or before October 10 each year. The tax shall be extended, spread, and included with and as a part of the general taxes for state, county, and municipal purposes by the county auditor, to be collected and enforced therewith, together with the penalty, interest, and costs. As the tax, including any penalties, interest, and costs, is collected by the county treasurer it shall be accumulated and kept in a separate fund to be known as the "housing and redevelopment project fund." The money in the fund shall be turned over to the authority at the same time and in the same manner that the tax collections for the city are turned over to the city, and shall be expended ~~and applied only~~ for the purposes of sections 469.001 to 469.047, and for no other purpose. It shall be paid out upon vouchers signed by the chair of the authority or an

authorized representative. The amount of the ~~special tax~~ levy shall be an amount approved by the governing body of the city, but shall not exceed ~~ten cents on each \$100 of gross tax capacity in the area of operation;~~ .0081 percent of taxable market value except that in cities of the first class having a population of less than 200,000, the ~~special tax~~ levy shall not exceed ~~five cents on each \$100 of gross tax capacity in the area of operation~~ .00403 percent of taxable market value. The authority may levy an additional levy, not to exceed ~~one cent on each \$100 of gross tax capacity in the area of operation~~ .0008 percent of taxable market value, to be used to defray costs of providing informational service and relocation assistance as set forth in section 462.445, subdivision 4. The authority shall each year formulate and file a budget in accordance with the budget procedure of the city in the same manner as required of executive departments of the city or, if no budgets are required to be filed, by August 1. The amount of the tax levy for the following year shall be based on that budget and shall be approved by the governing body.

Sec. 62. Minnesota Statutes 1988, section 469.053, subdivision 4, is amended to read:

Subd. 4. [MANDATORY CITY LEVY.] A city shall, at the request of the port authority, levy a tax in any year for the benefit of the port authority. The tax must not exceed ~~.75 mill times the gross tax capacity of taxable property in the city~~ 0.01813 percent of taxable market value. ~~The tax is not subject to levy limits.~~ The amount levied must be paid by the city treasurer to the treasurer of the port authority, to be spent by the authority.

Sec. 63. Minnesota Statutes 1988, section 469.053, subdivision 6, is amended to read:

Subd. 6. [DISCRETIONARY CITY LEVY.] Upon request of a port authority, the port authority's city may levy a tax to be spent by and for its port authority. The tax must enable the port authority to carry out efficiently and in the public interest sections 469.048 to 469.068 to create and develop industrial development districts. The levy must not be for more than ~~7/60 of one mill on each dollar of gross tax capacity of taxable property in the city~~ 0.00282 percent of taxable market value. The county treasurer shall pay the proceeds of the tax to the port authority treasurer. The money may be spent by the authority in performance of its duties to create and develop industrial development districts. In spending the money the authority must judge what best serves the public interest. The levy in this subdivision is in addition to the levy in subdivision 4 ~~and is not subject to levy limits.~~

Sec. 64. Minnesota Statutes 1988, section 469.107, subdivision 1, is amended to read:

Subdivision 1. [CITY TAX LEVY.] A city may, at the request of the

authority, levy a tax in any year for the benefit of the authority. The tax must be for not more than .75 mill times the gross tax capacity of taxable property in the city 0.01813 percent of taxable market value. The tax is not subject to levy limits. The amount levied must be paid by the city treasurer to the treasurer of the authority, to be spent by the authority.

Sec. 65. Minnesota Statutes 1988, section 469.180, subdivision 2, is amended to read:

Subd. 2. [TAX LEVIES.] Notwithstanding any law, the county board of any county may appropriate from the general revenue fund a sum not to exceed $\frac{1}{30}$ of a mill on the gross tax capacity of the a county levy of 0.00080 percent of taxable market value to carry out the purposes of this section.

Sec. 66. Minnesota Statutes 1988, section 469.187, is amended to read:

469.187 [EXPENDITURE FOR PUBLICITY; PUBLICITY BOARD; FIRST CLASS CITIES.]

Any city of the first class may expend money for city publicity purposes. The city may levy a tax, at a rate not exceeding $\frac{1}{30}$ of one mill upon the gross tax capacity of the taxable property of the city 0.00080 percent of taxable market value. The proceeds of the levy shall be expended in the manner and for the city publicity purposes the council directs. The council may establish and provide for a publicity board or bureau to administer the fund, subject to the conditions and limitations the council prescribes by ordinance.

Sec. 67. Minnesota Statutes 1988, section 469.188, is amended to read:

469.188 [TAX FOR ADVERTISING RESOURCES; CITIES OF SECOND OR THIRD CLASS.]

The governing body of any city of the second or third class in this state may levy a tax of not to exceed one-third of one mill against the taxable property in the city 0.00806 percent of taxable market value for the purpose of advertising agricultural, industrial business, and all other resources of the community subject to the city's levy limits.

Sec. 68. Minnesota Statutes 1988, section 471.191, subdivision 2, is amended to read:

Subd. 2. Any such city may issue bonds pursuant to chapter 475, for the acquisition and betterment of land, buildings, and facilities for the purpose of carrying out the powers granted by this section. Such bonds, unless authorized as general obligations of the issuer

pursuant to approval of the electors or pursuant to another law or charter provision permitting such issuance without an election, shall be payable solely from the income of land, buildings, and facilities used or useful for the operation of the program, but may be secured by a pledge to the bondholders, or to a trustee, of all income and revenues of whatsoever nature derived from any such land, buildings, and facilities, as a first charge on the gross revenues thereof to the extent necessary to pay the bonds and interest thereon when due and to accumulate and maintain an additional reserve for that purpose in an amount equal to the total amount of such payments to become due in any fiscal year. In this event the governing body of the issuer may by resolution or trust indenture define the land, buildings, or facilities, the revenues of which are pledged, and establish covenants and agreements to be made by the issuer for the security of the bonds, including a covenant that the issuer will establish, maintain, revise when necessary, and collect charges for all services, products, use, and occupancy of the land, buildings, and facilities, in the amounts and at the times required to produce the revenues pledged, and also sufficient, with any other funds appropriated by the governing body from time to time, to provide adequately for the operation and maintenance of the land, buildings, and facilities. ~~From and~~ After the issuance of any bonds for which revenues are so pledged, the governing body of the issuer shall provide in its budget each year for any anticipated deficiency in the revenues available for such operation and maintenance. For this purpose any issuer other than a city of the first class may levy a tax of not more than ~~two-thirds of one mill on the gross tax capacity of all taxable property within its corporate limits~~ 0.01612 percent of taxable market value, in excess of taxes which may otherwise be levied within legal and charter limitations, provided ~~such~~ the excess levy is approved by a majority of its electors voting on ~~such~~ the question at a regular or special election. The authority to levy additional taxes granted herein shall not apply to cities or towns in which the gross tax capacity consists in part of iron ore or lands containing taconite or semitaconite.

Sec. 69. Minnesota Statutes 1988, section 471.1921, is amended to read:

471.1921 [CITIES AND TOWNS; PLAYGROUNDS AND RECREATION; TAX LEVY.]

Whenever any city or town in which the gross tax capacity consists in part of iron ore or lands containing taconite or semitaconite operates a program of public recreation and playgrounds or other recreational facilities and expends funds for the operation of the program pursuant to sections 471.15 to 471.19, in addition to funds otherwise provided therefor, the governing body of the city or town may levy a tax in excess of any charter or statutory limitation, except the limitation imposed in sections 275.50 to 275.58, for the

support of this program of public recreation and playgrounds as follows:

(a) (1) in cities the council or governing body may levy a tax of not exceeding two-ninths of a mill and not exceeding the lesser of (i) 0.00537 percent of taxable market value; (ii) \$3 per capita and not exceeding; or (iii) \$15,000; and

(b) (2) in towns the governing body may levy a tax of not exceeding two-ninths of a mill and not exceeding the lesser of (i) 0.00537 percent of taxable market value; or (ii) \$10,000.

Sec. 70. Minnesota Statutes 1988, section 471.571, subdivision 1, is amended to read:

Subdivision 1. [APPLICATION.] This section applies to each city in which the gross tax capacity of real and personal property consists in part of iron ore or lands containing taconite or semitaconite and in which the total gross tax capacity taxable market value of real and personal property exceeds \$200,000-\$2,500,000.

Sec. 71. Minnesota Statutes 1988, section 471.571, subdivision 2, is amended to read:

Subd. 2. [CREATION OF FUND, TAX LEVY.] The governing body of such the city may create a permanent improvement and replacement fund to be maintained by an annual tax levy. The governing body may levy a tax in excess of any charter or statutory limitation and in excess of the per capita limitation imposed under section 275.11 for the support of such the permanent improvement and replacement fund, but not exceeding the following:

(a) In cities having a population of not more than 500 inhabitants, the lesser of \$20 per capita or 3¼ mills 0.08059 percent of taxable market value;

(b) In cities having a population of more than 500 and less than 2500, the greater of \$12.50 per capita or \$10,000 but not exceeding 3¼ mills 0.08059 percent of taxable market value;

(c) In cities having a population of more than 2500 inhabitants, the greater of \$10 per capita or \$31,500 but not exceeding 3¼ mills 0.08059 percent of taxable market value.

Sec. 72. Minnesota Statutes 1988, section 473.325, subdivision 2, is amended to read:

Subd. 2. The metropolitan council shall sell and issue such the bonds in the manner provided in chapter 475, and shall have the same powers and duties as a municipality issuing bonds under that

law, except that the approval of a majority of the electors shall not be required and the net debt limitations therein shall not apply. The terms of each series of such bonds shall be fixed so that the amount of principal and interest on all outstanding and undischarged bonds, together with the bonds proposed to be issued, due in any year shall not exceed ~~5 mills times the gross tax capacity~~ 0.01209 percent of market value of all taxable property in the metropolitan area as last finally equalized prior to a proposed issue. The bonds shall be secured in accordance with section 475.61, subdivision 1, and any taxes required for their payment shall be levied by the council, shall not affect the amount or rate of taxes which may be levied by the council for other purposes, shall be spread against all taxable property in the metropolitan area and shall not be subject to limitation as to rate or amount. Any taxes certified by the council to the county auditors for collection shall be reduced by the amount received by the council from the commissioner of finance or the federal government for the purpose of paying the principal and interest on bonds to which the levy relates. The council shall certify the fact and amount of all money so received to the county auditors, and the auditors shall reduce the levies ~~theretofore~~ previously made for such the bonds in the manner and to the extent provided in section 475.61, subdivision 3.

Sec. 73. Minnesota Statutes 1988, section 473.446, subdivision 1, is amended to read:

Subdivision 1. [TAXATION WITHIN TRANSIT TAXING DISTRICT.] For the purposes of sections 473.404 to 473.449 and the metropolitan transit system, except as otherwise provided in this subdivision, the regional transit board shall levy each year upon all taxable property within the metropolitan transit taxing district, defined in subdivision 2, a transit tax consisting of:

(a) an amount which shall be used for payment of the expenses of operating transit and paratransit service and to provide for payment of obligations issued by the commission under section 473.436, subdivision 6;

(b) an additional amount, if any, as the board determines to be necessary to provide for the full and timely payment of its certificates of indebtedness and other obligations outstanding on July 1, 1985, to which property taxes under this section have been pledged; and

(c) an additional amount necessary to provide full and timely payment of certificates of indebtedness, bonds, including refunding bonds or other obligations issued or to be issued under section 473.39 by the council for purposes of acquisition and betterment of property and other improvements of a capital nature and to which the council or board has specifically pledged tax levies under this clause.

The property tax levied by the regional transit board for general purposes under clause (a) must not exceed the following amount for the years specified:

(1) for taxes payable in 1988, the product of two mills multiplied by the total assessed valuation of all taxable property located within the metropolitan transit taxing district as adjusted by the provisions of Minnesota Statutes 1986, sections 272.64; 273.13, subdivision 7a; and 275.49;

(2) for taxes payable in 1989, the product of (i) the regional transit board's property tax levy limitation for general purposes for the taxes payable year 1988 determined under clause (1) multiplied by (ii) an index for market valuation changes equal to the assessment year 1988 total market valuation of all taxable property located within the metropolitan transit taxing district divided by the assessment year 1987 total market valuation of all taxable property located within the metropolitan transit taxing district; and

(3) for taxes payable in 1990 and subsequent years, the product of (i) the regional transit board's property tax levy limitation for general purposes for the previous year determined under this subdivision multiplied by (ii) an index for market valuation changes equal to the total market valuation of all taxable property located within the metropolitan transit taxing district for the current assessment year divided by the total market valuation of all taxable property located within the metropolitan transit taxing district for the previous assessment year.

For the purpose of determining the regional transit board's property tax levy limitation for general purposes for the taxes payable year 1988 and subsequent years under this subdivision, "total market valuation" means the total market valuation of all taxable property within the metropolitan transit taxing district without valuation adjustments for fiscal disparities (chapter 473F), tax increment financing (sections 469.174 to 469.179), and high voltage transmission lines (section 273.425).

The county auditor shall reduce the tax levied pursuant to this subdivision on all property within statutory and home rule charter cities and towns that receive full peak service and limited off-peak service by an amount equal to the tax levy that would be produced by applying a rate of 0.5 mills 0.01209 percent of market value on the property. The county auditor shall reduce the tax levied pursuant to this subdivision on all property within statutory and home rule charter cities and towns that receive limited peak service by an amount equal to the tax levy that would be produced by applying a rate of 0.75 mills 0.01813 percent of market value on the property. The amounts so computed by the county auditor shall be submitted to the commissioner of revenue as part of the abstracts of tax lists required to be filed with the commissioner under section 275.29.

Any prior year adjustments shall also be certified in the abstracts of tax lists. The commissioner shall review the certifications to determine their accuracy and may make changes in the certification as necessary or return a certification to the county auditor for corrections. The commissioner shall pay to the regional transit board the amounts certified by the county auditors on the dates provided in section 273.1398. There is annually appropriated from the general fund in the state treasury to the department of revenue the amounts necessary to make these payments in fiscal year 1987 and thereafter.

For the purposes of this subdivision, "full peak and limited off-peak service" means peak period regular route service, plus weekday midday regular route service at intervals longer than 60 minutes on the route with the greatest frequency; and "limited peak period service" means peak period regular route service only.

Sec. 74. Minnesota Statutes 1988, section 473.661, subdivision 3, is amended to read:

Subd. 3. In any budget certified by the commissioners, pursuant to any of the provisions of under this section, the amount included for operation and maintenance shall not exceed an amount which, when extended against the gross tax capacity of property then taxable therefor under the provisions of section 473.621, subdivision 5, will require a levy at the a rate of one-third of one mill upon such gross tax capacity 0.00806 percent of market value. Taxes levied by the corporation shall not affect the amount or rate of taxes which may be levied by any other local government unit within the metropolitan area under the provisions of any law or charter.

Sec. 75. Minnesota Statutes 1988, section 473.667, subdivision 9, is amended to read:

Subd. 9. [ADDITIONAL TAXES.] Nothing herein shall prevent the commission from levying a tax not to exceed in any year 1/20 of one mill on the gross tax capacity of 0.00121 percent of market value on taxable property within its taxing jurisdiction, over and above in addition to any levies found necessary for the debt service fund as authorized by section 473.671. Nothing herein shall prevent the levy and appropriation for purposes of the commission of any other tax on property or on any income, transaction, or privilege, when and if authorized by law. All collections of any taxes so levied shall be included in the revenues appropriated for the purposes referred to in this section, unless otherwise provided in the law authorizing such the levies; but no covenant as to the continuance or as to the rate and amount of any such levy shall be made with the holders of the commission's bonds unless specifically authorized by law.

Sec. 76. Minnesota Statutes 1988, section 473.671, is amended to read:

473.671 [LIMIT OF TAX LEVY.]

The taxes levied against the property of the metropolitan area in any one year shall not exceed ~~one-third of one mill upon the gross tax capacity thereof~~ 0.00806 percent of taxable market value, exclusive of the taxes it may be necessary to ~~levy~~ levied to pay the principal or interest on any bonds or indebtedness of said the city issued by it under the provisions of Laws 1943, chapter 500, and exclusive of any ~~amounts required~~ taxes levied to pay the share of ~~such~~ the city for payments on bonded indebtedness of the corporation provided for in Laws 1943, chapter 500. The levy of taxes authorized in Laws 1943, chapter 500, shall be in addition to the maximum rate allowed to be levied to defray the cost of government under the provisions of the charter of any city affected by Laws 1943, chapter 500.

Sec. 77. Minnesota Statutes 1988, section 473.882, subdivision 3, is amended to read:

Subd. 3. [TAX.] After adoption of the ordinance under subdivision 2, a local government unit may annually levy a tax on all taxable property in the district for the purposes for which the tax district is established. The tax levied may not exceed one mill 0.02418 percent of market value on taxable property located in rural towns other than urban towns, unless allowed by resolution of the town electors. The proceeds of the tax shall be paid into a fund reserved for these purposes. Any proceeds remaining in the reserve fund at the time the tax is terminated or the district is dissolved shall be transferred and irrevocably pledged to the debt service fund of the local unit to be used solely to reduce tax levies for bonded indebtedness of taxable property in the district. A tax levied in accordance with this subdivision for paying capital costs is a levy for the payment of principal and interest on bonded indebtedness within the meaning of section 275.50, subdivision 5, clause (e).

Sec. 78. Minnesota Statutes 1988, section 473.883, subdivision 6, is amended to read:

Subd. 6. [TAX.] For the payment of principal and interest on the bonds issued under subdivision 5 and the payment required under subdivision 4, the county shall irrevocably pledge and appropriate the proceeds of ~~an ad valorem~~ a tax levied on all taxable property located within the territory of the watershed management organization or minor watershed unit for which the bonds are issued. Each year until the reserve for payment of the bonds is sufficient to retire the bonds, the county shall levy on all taxable property in the territory of the organization or unit, without respect to any statutory or other limitation on taxes, an amount of taxes sufficient to pay principal and interest on the bonds and to restore any deficiencies in reserves required to be maintained for payment of the bonds. The tax levied on rural towns other than urban towns may not exceed ~~one~~

mill 0.02418 percent of taxable market value, unless approved by resolution of the town electors. If at any time the amounts available from the levy on property in the territory of the organization are insufficient to pay principal and interest on the bonds when due, the county shall make payment from any available funds in the county treasury. The amount of any taxes which are required to be levied outside of the territory of the watershed management organization or unit or taken from the general funds of the county to pay principal or interest on the bonds shall be reimbursed to the county from taxes levied within the territory of the watershed management organization or unit.

Sec. 79. Minnesota Statutes 1988, section 641.23, is amended to read:

641.23 [FUNDS, HOW PROVIDED.]

Before any contract is made for the erection of a county jail, sheriff's residence, or both, the county board shall either levy a sufficient tax to provide the necessary funds, or issue county bonds therefor in accordance with the provisions of chapter 475, provided that the amount of all bonds issued for this purpose and interest on them which are due and payable in any year shall not exceed an amount equal to four mills times the gross tax capacity 0.09671 percent of market value of taxable property within the county, as last determined before the bonds are issued.

Sec. 80. [REPEALER.]

Minnesota Statutes 1988, sections 69.36; 423.376; 423.47; 423.807; 424.12; and 424.13, are repealed.

Sec. 81. [EFFECTIVE DATE.]

Sections 30, 35, 39, 41, 72, 78, and 79 are effective for bonds and other obligations issued after June 30, 1989, provided that the limitations in those sections include the amount of debt service on obligations issued before that date. Section 33 is effective for obligations issued after the date of enactment of this act."

Delete the title and insert:

"A bill for an act

relating to taxation; making technical corrections, clarifications and administrative and enforcement changes to property taxes, premium taxes, cigarette taxes, sales taxes, motor vehicle excise taxes, gasoline and special fuel taxes, taxes on flight property, liquor taxes, marijuana and controlled substances taxes, lodging taxes, and the metropolitan solid waste landfill fee; correcting

dates relating to income maintenance aids; providing for unmarked vehicles for use by the department of revenue; providing for cancellation of sales tax permits; providing for sales of unstamped tobacco products and liquor to Indian tribes; repealing obsolete or unnecessary terms or provisions; changing terms; repealing certain gross earnings taxes; requiring notification of the commissioner prior to selling cigarettes at prices other than those presumed by law; changing cigarette distribution licensing requirements; converting mill rate limitations to percentages of market value; changing assessor senior accreditation requirements; exempting certain property from property taxes; changing requirements for valuation and tax deferment for certain property; allowing homestead classification in certain cases; providing for subordinate service districts; authorizing the cities of Mankato and Hopkins to establish special service districts; increasing and imposing fees; imposing penalties; appropriating money; amending Minnesota Statutes 1988, sections 3.983, subdivision 3; 16B.54, subdivision 2; 18.022, subdivision 2; 18.111, subdivision 1; 38.27, subdivision 1; 40A.15, subdivision 2; 41A.09, subdivision 3; 69.011, subdivision 2; 69.54; 88.04, subdivision 3; 93.55, subdivision 4; 110.71, subdivision 2; 110B.20; 112.61, subdivisions 2, 3, and 8; 124.155, subdivision 2; 124.2139; 138.053; 162.07, subdivisions 3 and 4; 162.081, subdivision 4; 164.04, subdivision 3; 164.05, subdivision 1; 168.012, subdivision 1; 174.27; 193.145, subdivision 2; 237.35; 256.82, subdivision 1; 256.871, subdivision 6; 256B.041, subdivision 5; 270.06; 270.071, subdivision 6; 270.072, subdivisions 2 and 3; 270.075, subdivision 2; 270.12, subdivision 2; 270.485; 270.60; 272.01, subdivision 2; 272.02, subdivision 1; 273.01; 273.061, subdivisions 1 and 2; 273.1102, subdivision 3; 273.111, subdivision 3; 273.112, subdivision 3, and by adding a subdivision; 273.124, subdivisions 1, 8, 9, 12, 13, and by adding a subdivision; 273.13, subdivisions 22 and 23; 273.135, subdivision 2; 273.1391, subdivision 2; 273.1393; 273.1398, subdivisions 1, 4, 5, and 6; 275.011, subdivisions 1 and 2; 275.07, subdivision 3; 275.077, subdivision 2; 275.28, subdivision 1; 275.56; 275.58, subdivision 1; 278.01, subdivision 1; 278.03; 278.05, subdivisions 4 and 5; 279.01, subdivisions 1 and 3; 279.37, subdivision 7; 290A.03, subdivision 12; 296.18, subdivision 1; 297.01, subdivision 13, and by adding a subdivision; 297.03, subdivision 6; 297.04, subdivisions 4, 5, and 6; 297.041, subdivisions 1, 2, and 4; 297.08, subdivision 1; 297.31, by adding a subdivision; 297.33, subdivisions 4, 5, 6, 7, and 8; 297A.06; 297A.17; 297A.20; 297A.21, subdivision 4; 297A.25, subdivisions 11 and 16; 297B.01, subdivision 5; 297B.02, subdivision 1; 297B.025, subdivision 2; 297B.03; 297C.03, subdivision 1; 297C.09; 297D.13, by adding a subdivision; 298.28, subdivisions 3 and 4; 298.282, subdivision 2; 325D.32, subdivision 10; 325D.37, by adding a subdivision; 366.27; 373.40, subdivisions 4 and 6; 375.167, subdivision 1; 375.18, subdivision 3; 375.192, subdivision 2; 375.555; 383A.03, subdivision 4; 383A.411, subdivision 5; 383A.49, subdivision 2; 383B.152; 383B.245; 383B.73, subdivisions 1 and 2; 383C.42, subdivision 1; 398A.04, subdivision 8;

412.251; 412.531, subdivision 1; 414.035; 414.041, subdivision 7; 426.04; 447.10; 449.06; 449.08; 449.09; 449.10; 450.19; 450.25; 458A.10; 458A.31, subdivision 1; 459.06, subdivision 1; 459.14, subdivision 2, and by adding a subdivision; 462.396, subdivision 2; 469.012, by adding a subdivision; 469.033, subdivision 6; 469.040, subdivision 2; 469.053, subdivisions 4 and 6; 469.107, subdivision 1; 469.174, subdivision 8; 469.175, subdivision 7; 469.176, subdivision 4c; 469.180, subdivision 2; 469.187; 469.188; 469.190, subdivision 1; 471.191, subdivision 2; 471.1921; 471.571, subdivisions 1 and 2; 473.325, subdivision 2; 473.446, subdivision 1; 473.661, subdivision 3; 473.667, subdivision 9; 473.671; 473.843, subdivision 1; 473.882, subdivision 3; 473.883, subdivision 6; 475.53, subdivision 4; 477A.011, subdivision 15; 477A.013, subdivision 1; 641.23; Laws 1988, chapter 719, articles 7, section 9; 8, section 37; and 12, section 29; proposing coding for new law in Minnesota Statutes, chapters 276; 297; 297A; 297C; 297D; 325D; and 365B; repealing Minnesota Statutes 1988, sections 38.17; 38.27, subdivision 3; 38.28; 69.36; 275.57; 275.58, subdivision 4; 276.13; 276.14; 295.01, subdivisions 4, 5, 6, 7, and 8; 295.15; 295.21; 295.23; 295.24; 295.25; 295.27; 295.29; 295.30; 295.31; 297.01, subdivision 15; 297.03, subdivision 12; 297.04, subdivision 10; 297.33, subdivision 13; 297A.19; 297A.253; 297C.03, subdivisions 4 and 4a; 423.376; 423.47; 423.807; 424.12; 424.13; 477A.018; and 477A.019; Laws 1988, chapter 719, article 8, section 35.”

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

House Conferees: DEE LONG, ALAN W. WELLE AND JOHN HIMLE.

Senate Conferees: LEROY A. STUMPF, JOHN BERNHAGEN AND A. W. “BILL” DIESSNER.

Long moved that the report of the Conference Committee on H. F. No. 266 be adopted and that the bill be repassed as amended by the Conference Committee. The motion prevailed.

H. F. No. 266, A bill for an act relating to taxation; making technical corrections and clarifications and administrative changes to premium taxes, cigarette taxes, sales taxes, motor vehicle excise taxes, gasoline and special fuel taxes, liquor taxes, marijuana and controlled substances taxes, lodging taxes, and the metropolitan solid waste landfill fee; providing for unmarked vehicles for use by the department of revenue; providing for sales of unstamped tobacco products and liquor to Indian tribes; providing for cancellation of sales tax permits; repealing obsolete or unnecessary terms or provisions; repealing express company, freight line company, and

sleeping car company gross earnings taxes; requiring notification of the commissioner prior to selling cigarettes at prices other than those presumed by law; amending Minnesota Statutes 1988, sections 16B.54, subdivision 2; 41A.09, subdivision 3; 69.011, subdivision 2; 69.54; 168.012, subdivision 1; 270.06; 270.60; 296.18, subdivision 1; 297.041, subdivisions 1, 2, and 4; 297A.06; 297A.17; 297A.20; 297A.21, subdivision 4; 297A.25, subdivisions 11 and 16; 297B.01, subdivision 5; 297B.02, subdivision 1; 297B.03; 297D.13, by adding a subdivision; 325D.32, subdivision 10; 325D.37, by adding a subdivision; 469.190, subdivision 1; 473.843, subdivision 1; proposing coding for new law in Minnesota Statutes, chapters 297, 297A, 297C, and 297D; repealing Minnesota Statutes 1988, sections 295.01, subdivisions 4, 5, 6, 7, and 8; 295.15; 295.21; 295.23; 295.24; 295.25; 295.27; 295.29; 295.30; 295.31; 297A.19; 297A.253; 477A.018; and 477A.019.

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

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

Those who voted in the affirmative were:

Abrams	Frerichs	Krueger	Osthoff	Simoneau
Anderson, G.	Girard	Lasley	Ostrom	Skoglund
Anderson, R.	Greenfield	Lieder	Otis	Solberg
Battaglia	Gruenes	Limmer	Ozment	Sparby
Bauerly	Gutknecht	Long	Pappas	Stanius
Beard	Hartle	Lynch	Pauly	Steensma
Begich	Hasskamp	Macklin	Pellow	Sviggum
Bennett	Haukoos	Marsh	Pelowski	Swenson
Bertram	Heap	McDonald	Peterson	Tjornhom
Bishop	Henry	McEachern	Poppenhagen	Tompkins
Blatz	Himle	McGuire	Price	Trimble
Boo	Hugoson	McLaughlin	Pugh	Tunheim
Brown	Jacobs	McPherson	Quinn	Uphus
Burger	Janezich	Milbert	Redalen	Valento
Carlson, D.	Jaros	Miller	Reding	Vellenga
Carlson, L.	Jefferson	Munger	Rest	Wagenius
Carruthers	Jennings	Murphy	Rice	Waltman
Clark	Johnson, A.	Nelson, C.	Richter	Weaver
Conway	Johnson, R.	Nelson, K.	Rodosovich	Welle
Cooper	Johnson, V.	O'Connor	Rukavina	Wenzel
Dauner	Kahn	Ogren	Runbeck	Williams
Dawkins	Kalis	Olsen, S.	Sarna	Winter
Dempsey	Kelly	Olson, E.	Schafer	Wynia
Dille	Kelso	Olson, K.	Scheid	Spk. Vanasek
Dorn	Kinkel	Omam	Schreiber	
Forsythe	Knickerbocker	Onnen	Seaberg	
Frederick	Kostohryz	Orenstein	Segal	

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

Wynia moved that the House recess subject to the call of the Chair. The motion prevailed.

RECESS

RECONVENED

The House reconvened and was called to order by the Speaker.

REPORT FROM THE COMMITTEE ON RULES AND
LEGISLATIVE ADMINISTRATION

Wynia, from the Committee on Rules and Legislative Administration, pursuant to House Rule No. 1.9, designated the following bills as Special Orders to be acted upon immediately preceding General Orders for today, Friday, May 19, 1989, and that the Special Orders Calendar previously designated for Friday, May 19, 1989, be discontinued:

S. F. Nos. 530, 1582, 542, 462 and 738; H. F. No. 1163; S. F. No. 536; H. F. No. 1443; S. F. Nos. 491, 613 and 895; H. F. Nos. 618, 871, 782 and 1194; S. F. Nos. 481, 809, 499, 470, 1394, 143, 1074, 659 and 564; H. F. Nos. 962, 404, 1396, 207, 619, 376 and 1201; S. F. No. 775; H. F. No. 1066; S. F. Nos. 1378, 661 and 258; H. F. Nos. 851 and 1636; and S. F. Nos. 1009 and 1435.

SPECIAL ORDERS

S. F. No. 530 was reported to the House.

Long moved to amend S. F. No. 530, as follows:

Delete everything after the enacting clause and insert:

“Section 1. Minnesota Statutes 1988, section 115A.03, is amended by adding a subdivision to read:

Subd. 36a. [WASTE REDUCTION.] “Waste reduction” means any activity that prevents generation of waste including at least reusing a product in its original form, increasing the life span of a product, reducing material used in production or packaging, or changing procurement, consumption, or waste generation habits to result in smaller quantities of waste generated.

Sec. 2. Minnesota Statutes 1988, section 115A.12, subdivision 1, is amended to read:

Subdivision 1. [SOLID AND HAZARDOUS WASTE MANAGE-

MENT.] The chair of the board shall establish a solid waste management advisory council and a hazardous waste management planning council broadly representative of the geographic areas and interests of the state. The councils shall have not less than nine nor more than 18 members each. The membership of the solid waste council shall consist of one-third citizen representatives, one-third representatives from local government units, and one-third representatives from private solid waste management firms. The solid waste council shall contain at least one member experienced in each of the following areas: state and municipal finance; solid waste collection, processing, and disposal; and solid waste reduction and resource recovery. The membership of the hazardous waste advisory council shall consist of one-third citizen representatives, one-third representatives from local government units, and one-third representatives of hazardous waste generators and private hazardous waste management firms. The chairs of the advisory councils shall be appointed by the chair of the board. The chair of the board shall provide administrative and staff services for the advisory councils. The advisory councils shall have such duties as are assigned by law or the chair of the board. The solid waste advisory council shall make recommendations to the board on its solid waste management activities. The hazardous waste advisory council shall make recommendations to the board on its activities under sections 115A.08, 115A.09, 115A.10, 115A.11, 115A.20, 115A.21, and 115A.24. Members of the advisory councils shall serve without compensation but shall be reimbursed for their reasonable expenses as determined by the chair of the board. The solid waste management advisory council and the hazardous waste management planning council expire as provided in section 15.059, subdivision 5 June 30, 1994.

Sec. 3. Minnesota Statutes 1988, section 115A.14, subdivision 2, is amended to read:

Subd. 2. [STAFF.] The commission is authorized, without regard to the civil service laws and rules, to appoint and fix the compensation of such additional legal and other personnel and consultants as may be necessary to enable it to carry out its functions, or to contract for services to supply necessary data, except that any state employees subject to the civil service laws and rules who may be assigned to the commission shall retain civil service status without interruption or loss of status or privilege. ~~The staff shall be hired and supervised for the commission by the executive director of the legislative commission on Minnesota resources.~~

Sec. 4. Minnesota Statutes 1988, section 115A.46, subdivision 2, is amended to read:

Subd. 2. [CONTENTS.] The plans shall describe existing collection, processing, and disposal systems, including schedules of rates and charges, financing methods, environmental acceptability, and

opportunities for improvements in the systems. The plans shall include an estimate of the land disposal capacity in acre-feet which will be needed through the year 2000, on the basis of current and projected waste generation practices. The plans shall require the most feasible and prudent reduction of the need for and practice of land disposal of mixed municipal solid waste. The plans shall address at least waste reduction, separation, recycling, and other resource recovery options, and shall include specific and quantifiable objectives, immediately and over specified time periods, for reducing the land disposal of mixed municipal solid waste and for the implementation of feasible and prudent reduction, separation, recycling, and other resource recovery options. The objectives must be consistent with statewide objectives identified in statute. In assessing the need for additional resource recovery or disposal capacity, plans must take into account the characteristics of waste stream components and must give priority to waste reduction, separation, and recycling. The plans shall describe specific functions to be performed and activities to be undertaken to achieve the abatement, reduction, separation, recycling, and other resource recovery objectives and shall describe the estimated cost, proposed manner of financing, and timing of the functions and activities. The plans shall include a comparison of the costs of the activities to be undertaken, including capital and operating costs, and the effects of the activities on the cost to generators and on persons currently providing solid waste collection, processing, and disposal services. The plans shall include alternatives which could be used to achieve the abatement objectives if the proposed functions and activities are not established. The plans shall designate how public education shall be accomplished. The plans shall, to the extent practicable and consistent with the achievement of other public policies and purposes, encourage ownership and operation of solid waste facilities by private industry. For solid waste facilities owned or operated by public agencies or supported primarily by public funds or obligations issued by a public agency, the plans shall include criteria and standards to protect comparable private and public facilities already existing in the area from displacement unless the displacement is required in order to achieve the waste management objectives identified in the plan. The plans shall establish a siting procedure and development program to assure the orderly location, development, and financing of new or expanded solid waste facilities and services sufficient for a prospective ten-year period, including estimated costs and implementation schedules, proposed procedures for operation and maintenance, estimated annual costs and gross revenues, and proposals for the use of facilities after they are no longer needed or usable. The plans shall describe existing and proposed county and municipal ordinances and license and permit requirements relating to solid waste management and shall describe existing and proposed regulation and enforcement procedures.

Sec. 5. Minnesota Statutes 1988, section 115A.54, subdivision 2a, is amended to read:

Subd. 2a. [SOLID WASTE MANAGEMENT PROJECTS.] (a) The board shall provide technical and financial assistance for the acquisition and betterment of solid waste management projects as provided in this subdivision and section 115A.52. Money appropriated for the purposes of this subdivision must be distributed as grants.

(b) Except as provided in paragraph (c), a project may receive grant assistance up to 25 percent of the capital cost of the project or \$2,000,000, whichever is less.

(c) A recycling project or a project to compost or co-compost waste may receive grant assistance up to 50 percent of the capital cost of the project or \$2,000,000, whichever is less.

(d) Projects without resource recovery are not eligible for assistance. The agency may award grants for transfer stations that will initially transfer waste to landfills provided those transfer stations are part of a planned resource recovery project, and provided the county where the planned resource recovery facility will be located has a comprehensive solid waste management plan approved by the agency and that plan proposes the development of the resource recovery facility. If the proposed resource recovery facility is not in place and operating within five years of the date of the grant award, the recipient shall repay the grant amount to the state.

(e) In addition to any assistance received under clause (b) or (c), a project may receive grant assistance for the cost of tests necessary to determine the appropriate pollution control equipment for the project or the environmental effects of the use of any product or material produced by the project.

(f) In addition to the application requirements of section 115A.51, an application for a project serving eligible jurisdictions in only a single county must demonstrate that cooperation with jurisdictions in other counties to develop the project is not needed or not feasible. Each application must also demonstrate that the project is not financially prudent without the state assistance, because of the applicant's financial capacity and the problems inherent in the waste management situation in the area, particularly transportation distances and limited waste supply and markets for resources recovered.

(g) For the purposes of this subdivision, a "project" means a processing facility, together with any transfer stations, transmission facilities, and other related and appurtenant facilities primarily serving the processing facility. The board shall adopt rules for the program by July 1, 1985.

Sec. 6. Minnesota Statutes 1988, section 115A.80, is amended to read:

115A.80 [DESIGNATION OF RESOURCE RECOVERY SOLID WASTE MANAGEMENT FACILITIES; PURPOSE.]

In order to further the state policies and purposes expressed in section 115A.02, and to advance the public purposes served by resource recovery effective solid waste management, the legislature finds and declares that it may be necessary pursuant to sections 115A.80 to 115A.89 to authorize a qualifying solid waste management district or county to designate a resource recovery solid waste processing or disposal facility.

Sec. 7. Minnesota Statutes 1988, section 115A.81, subdivision 2, is amended to read:

Subd. 2. [DESIGNATION.] "Designation" means a requirement by a waste management district or county that all or any portion of the mixed municipal solid waste that is generated within its boundaries or any service area thereof be delivered to a resource recovery processing or disposal facility identified by the district or county.

Sec. 8. Minnesota Statutes 1988, section 115A.83, is amended to read:

115A.83 [EXEMPTION.]

The designation may not apply to or include: (1) materials that are separated from solid waste and recovered for reuse in their original form or for use in manufacturing processes; or (2) materials that are processed at ~~another~~ a resource recovery facility at the capacity in operation at the time that the designation plan is approved by the reviewing authority.

Sec. 9. Minnesota Statutes 1988, section 115A.84, is amended to read:

115A.84 [DESIGNATION PLAN.]

Subdivision 1. [REQUIREMENT.] Before commencing the designation procedure under section 115A.85, the district or county shall adopt a comprehensive solid waste management plan or, under chapter 473, a master plan. The comprehensive or master plan must include county or district shall then submit a plan for designation to be approved under this section. A county or district's designation plan must be consistent with its solid waste management plan or master plan and with regional and statewide waste management goals.

Subd. 2. [DESIGNATION; PLAN CONTENTS.] (a) The designation plan must evaluate (1) the benefits of the designation, including the public purposes achieved by the conservation and recovery of

resources, the furtherance of local and any district or regional waste management plans and policies, and the furtherance of the state policies and purposes expressed in section 115A.02; and (2) the estimated costs of the designation, including the direct capital, operating, and maintenance costs of the facility designated, the indirect costs, and the long-term effects of the designation.

(b) In particular the designation plan must evaluate:

(1) whether the designation will result in the recovery of resources or energy from materials which would otherwise be wasted;

(2) whether the designation will lessen the demand for and use of indiscriminate land disposal;

(3) whether the designation is necessary for the financial support of the facility;

(4) whether less restrictive methods for ensuring an adequate solid waste supply are available; ~~and~~

(5) other feasible and prudent waste ~~processing management~~ alternatives for accomplishing the purposes of the proposed designation, the direct and indirect costs of the alternatives, including capital and operating costs, and the effects of the alternatives on the cost to generators; and

(6) whether the designation takes into account and promotes local, regional, and state waste management goals.

(c) When the plan proposes designation to disposal facilities, the designation plan must also evaluate:

(1) whether the disposal facility is part of an integrated waste management system involving a processing facility and the designation is necessary for the financial support of the processing facility;

(2) whether the designation will better serve to protect public health and safety;

(3) the impacts upon other disposal facilities and collectors inside and outside the area;

(4) whether the designation is necessary to promote regional waste management programs and cooperation; and

(5) the extent to which the design and operation of the disposal facility protects the environment including whether it is permitted

under current agency rules and whether any portion of the facility's site is listed under section 115B.17, subdivision 13.

(d) When the plan proposes designation to disposal facilities, all of the mixed municipal solid waste generated in the affected area must be subject to the designation unless it is subject to a contract between a hauler and a different facility and that contract is in force on the date designation is implemented.

Subd. 3. [PLAN APPROVAL.] A district or county planning a designation for waste generated wholly within the metropolitan area defined in section 473.121 shall submit its designation plan to the metropolitan council for review and approval or disapproval. Other districts or counties shall submit the designation plan to the waste management board for review and approval or disapproval. The reviewing authority shall complete its review and make its decision within 120 days following submission of the plan for review. The reviewing authority shall approve the designation plan if the plan satisfies the requirements of subdivision 2 and, in the case of designation to disposal facilities, if the reviewing authority finds that the plan has demonstrated that the designation is necessary and is consistent with section 115A.02. The reviewing authority may attach conditions to its approval that relate to matters required in a designation ordinance under section 115A.86, subdivision 1, paragraph (a), clauses (1) to (4), and paragraph (b). Amendments to plans must be submitted for review in accordance with this subdivision.

Subd. 4. [EXCLUSION OF CERTAIN MATERIALS.] When it approves the designation plan the reviewing authority shall exclude from the designation materials that the reviewing authority determines will be processed at ~~another~~ a resource recovery facility separate from the designated facility if:

(1) ~~the other~~ resource recovery facility requesting the exclusion is substantially completed or will be substantially completed within 18 months of the time that the designation plan is approved by the reviewing authority; and

(2) ~~the other~~ facility requesting the exclusion has or will have contracts for purchases of its product; and

(3) the materials are or will be under contract for delivery to the ~~other~~ facility requesting the exclusion at the time ~~the other~~ that facility is completed.

In order to qualify for the exclusion of materials under this subdivision, the operator or owner of the ~~other~~ resource recovery facility requesting the exclusion shall file with the reviewing authority and the district or county or counties a written description of the facility, its intended location, its waste supply sources,

purchasers of its products, its design capacity and other information that the reviewing authority and the district or county or counties may reasonably require. The information must be filed as soon as it becomes available but not later than 30 days following the date when the county or district submits its designation plan for approval.

The reviewing authority may revoke the exclusion granted under this subdivision when it approves the designation ordinance under section 115A.86 if in its judgment the excluded materials will not be processed at the other facility.

Sec. 10. Minnesota Statutes 1988, section 115A.85, subdivision 2, is amended to read:

Subd. 2. [HEARING.] The district or county shall hold a public hearing to take testimony on the designation. Notice of the hearing must be published in a newspaper of general circulation in the area for two successive weeks ending at least 15 days before the date of the hearing and must be mailed to political subdivisions, ~~landfill~~ processing and disposal facility operators, and licensed solid waste collectors who may be expected to use the facility. The notification must: (1) describe the area in which the designation will apply and the plans for the use of the solid waste; (2) specify the point or points of delivery of the solid waste; (3) estimate the types and quantities of solid waste subject to the designation; and (4) estimate the fee to be charged for the use of the facilities and for any products of the facilities. A designation or contract for use is not invalid by reason of the failure of the district or county to provide written notice to an entity listed in this subdivision.

Sec. 11. Minnesota Statutes 1988, section 115A.86, subdivision 3, is amended to read:

Subd. 3. [IMPLEMENTATION.] The designation may be placed into effect no less than 60 days following the approval required in subdivision 2. The effective date of the designation must be specified at least 60 days in advance. If the designation is not placed into effect within two years of approval, the designation must be resubmitted to the reviewing authority for approval or disapproval under subdivision 2, unless bonds have been issued to finance the ~~resource~~ recovery facility to which the designation applies.

Sec. 12. Minnesota Statutes 1988, section 115A.86, subdivision 5, is amended to read:

Subd. 5. [AMENDMENTS.] (a) Amendments to a designation ordinance must be submitted to the reviewing authority for approval. The reviewing authority shall approve the amendment if the amendment is in the public interest and in furtherance of the state policies and purposes expressed in section 115A.02. If the reviewing

authority finds that the proposed amendment is a substantive change from the existing designation plan, the reviewing authority may require that the county or solid waste management district submit a revised designation plan to the reviewing authority for approval. After receiving approval for the designation plan amendment from the reviewing authority, the county or district shall follow the procedure outlined in section 115A.85 prior to submitting the amended designation ordinance to the reviewing authority for approval. If the reviewing authority does not act within 90 days after receiving the proposed amendment to the designation ordinance, the amendment is approved.

(b) Prior to amending an ordinance to designate solid waste to a disposal facility, a county or district shall submit an amended designation plan to the reviewing authority for approval, and shall follow the procedures outlined in section 115A.85.

Sec. 13. Minnesota Statutes 1988, section 115A.893, is amended to read:

115A.893 [PETITION FOR EXCLUSION.]

Any person proposing to own or operate a resource recovery processing facility using waste materials subject to a designation ordinance may petition the waste district or county for exclusion of the materials from the designation ordinance. In order to qualify for the exclusion of materials under this section, the petitioner shall submit with the petition a written description of the proposed facility, its intended location, its waste supply sources, purchasers of its products, its design capacity, and other information that the district or county may reasonably require. The district or county, after appropriate notice and hearing, shall issue a written decision with findings of fact and conclusions on all material issues. The district or county shall grant the petition if it determines that: (a) the materials will be processed at the resource recovery facility, and (b) the exclusion can be implemented without impairing the financial viability of the designated facility or impairing contractual obligations or preventing the performance of contracts by the facility owner or operator, the district or county, or users of the facility. Any person aggrieved by the decision of the district or county may appeal to the reviewing authority. The review is confined to the record. The decision of the reviewing authority must be based on the standards stated in this section. If the reviewing authority approves the petition, the designation ordinance must be amended in conformance with the decision of the reviewing authority. The petition may be amended during the proceedings by agreement between the petitioner and the district or county.

Sec. 14. Minnesota Statutes 1988, section 115A.906, is amended by adding a subdivision to read:

Subd. 2a. [EMERGENCY ABATEMENT.] The commissioner may take emergency action to abate a waste tire nuisance without following the procedures of subdivision 2 if the commissioner determines that the nuisance constitutes a clear and immediate danger of uncontrollable fire, mosquito infestation, or other hazard requiring immediate action to prevent, minimize, or mitigate damage to the public health and welfare or the environment. Before taking an action under this subdivision, the commissioner shall make all reasonable efforts, taking into account the urgency of the situation and any historical pattern of responses by the tire collector to any past problems or abatement orders, to follow as much of the procedure in subdivision 2 as is practical. Emergency action under this subdivision may include all of the activities authorized for an abatement order.

Sec. 15. Minnesota Statutes 1988, section 115A.94, is amended by adding a subdivision to read:

Subd. 6. [EFFECT.] Except as provided in subdivision 5, nothing in this section requires a city, town, or county to organize collection, or prevents a city, town, or county from organizing collection, for either solid waste or recyclable material.

Sec. 16. [115A.981] [SOLID WASTE DISPOSAL FACILITIES ANNUAL REPORTING.]

Subdivision 1. [RECORD KEEPING REQUIREMENTS.] The owner or operator of a solid waste disposal facility must maintain the records necessary to comply with the requirements of subdivisions 2 and 3.

Subd. 2. [ANNUAL REPORTING.] (a) The owner or operator of a solid waste disposal facility must:

(1) submit an annual report to the agency under section 115A.32, and Minnesota Rules, part 7035.2585;

(2) annually certify that it has established financial assurance for closure, postclosure care, and corrective action at the facility by using one or more of the financial assurance mechanisms specified by rule; and

(3) file a fee schedule with the agency with the annual report.

(b) The fee schedule must list all tipping fees, rates, charges, surcharges, and any other fees charged by each classification of customer. The owner or operator of a facility may not increase fees until 30 days after the owner or operator has submitted a fee schedule amendment to the agency.

Subd. 3. [CLASSIFICATION OF DATA.] Information declared proprietary information by the submitter that is received by the agency under subdivision 2 is nonpublic data as defined in section 13.02, subdivision 9, except that the attorney general has access to the information.

Subd. 4. [AGENCY REPORT.] The agency shall report to the legislative commission on waste management by July 1 of each even-numbered year on the viability of the state's waste processing and disposal capability, the status of competitive forces in the market including recycling, composting, waste reduction and incineration, the extent to which existing fees for services are sufficient for facility development, engineering, environmental and safety factors, the progress of the industry in meeting the state's waste management goals, and recommendations for regulations to ensure protection of human health and the environment. In preparing the report, the agency shall consider information received under subdivision 2.

Sec. 17. Minnesota Statutes 1988, section 115B.04, subdivision 4, is amended to read:

Subd. 4. [LIABILITY OF POLITICAL SUBDIVISIONS.] (a) The liability of a political subdivision under this section is subject to the limits imposed under section 466.04, subdivision 1, except when the political subdivision is liable under this section as the owner or operator of a disposal facility as defined in section 115A.03, subdivision 10.

(b) Except as provided in paragraph (c), when a political subdivision is liable as an owner or operator of a disposal facility as defined in section 115A.03, subdivision 10, including a facility owned or operated under a valid joint powers agreement to which the political subdivision is a party, the liability of the political subdivision under this section is limited to \$400,000 for the facility; provided that, if a facility is owned or operated under a joint powers agreement by three or more political subdivisions, the aggregate liability for the facility of all political subdivisions that are parties to the joint powers agreement is limited to \$1,200,000.

(c) The limits under paragraph (b) apply to response costs incurred between the date a request for response action is issued to the political subdivision by the agency and the date one year after the construction certificate of completion for the response action is approved by the commissioner. The limits under paragraph (b) do not apply to response costs incurred outside the dates set forth in this paragraph or to costs incurred to negotiate a consent order or other agreement with the agency concerning any response action.

(d) When a political subdivision subject to the liability limits under paragraph (b) incurs response costs between the dates in

paragraph (c) for response actions under a work plan approved by the agency:

(1) the liability of the political subdivision for response costs to which limits apply under paragraph (c) is reduced by the amount spent; and

(2) the agency may reimburse the political subdivision for any amount spent that exceeds the applicable limit under paragraph (b).

Sec. 18. Minnesota Statutes 1988, section 115B.17, is amended by adding a subdivision to read:

Subd. 15. [ACQUISITION OF PROPERTY.] The agency may acquire, by purchase or donation, an interest in real property, including easements and leases, that the agency determines is necessary for response action. The agency may acquire an easement by condemnation only if the agency is unable, after reasonable efforts, to acquire an interest in real property by purchase or donation. The provisions of chapter 117 govern condemnation proceedings by the agency under this subdivision. A donation of an interest in real property to the agency is not effective until the agency executes a certificate of acceptance. The state is not liable under this chapter solely as a result of acquiring an interest in real property under this subdivision.

Sec. 19. Minnesota Statutes 1988, section 115B.20, subdivision 2, is amended to read:

Subd. 2. [PURPOSES FOR WHICH MONEY MAY BE SPENT.] Subject to appropriation by the legislature the money in the fund may be spent for any of the following purposes:

(a) Preparation by the agency for taking removal or remedial action under section 115B.17, including investigation, monitoring and testing activities, enforcement and compliance efforts relating to the release of hazardous substances, pollutants or contaminants under section 115B.17 or 115B.18;

(b) Removal and remedial actions taken or authorized by the agency or the commissioner of the pollution control agency under section 115B.17, including related enforcement and compliance efforts under section 115B.17 or 115B.18, and payment of the state share of the cost of remedial action which may be carried out under a cooperative agreement with the federal government pursuant to the Federal Superfund Act, under United States Code, title 42, section 9604(c)(3) for actions related to facilities other than commercial hazardous waste facilities located under the siting authority of chapter 115A;

(c) Reimbursement to any private person for expenditures made before July 1, 1983 to provide alternative water supplies deemed necessary by the agency and the department of health to protect the public health from contamination resulting from the release of a hazardous substance;

(d) Removal and remedial actions taken or authorized by the agency or the commissioner of the pollution control agency under section 115B.17 including related enforcement and compliance efforts under section 115B.17 or 115B.18, and payment of the state share of the cost of remedial action which may be carried out under a cooperative agreement with the federal government pursuant to the Federal Superfund Act, under United States Code, title 42, section 9604(c)(3) for actions related to commercial hazardous waste facilities located under the siting authority of chapter 115A;

(e) Compensation as provided by law, after submission by the waste management board of the report required under section 115A.08, subdivision 5, to mitigate any adverse impact of the location of commercial hazardous waste processing or disposal facilities located pursuant to the siting authority of chapter 115A;

(f) Planning and implementation by the commissioner of natural resources of the rehabilitation, restoration or acquisition of natural resources to remedy injuries or losses to natural resources resulting from the release of a hazardous substance;

(g) Inspection, monitoring and compliance efforts by the agency, or by political subdivisions with agency approval, of commercial hazardous waste facilities located under the siting authority of chapter 115A;

(h) Grants by the agency or the waste management board to demonstrate alternatives to land disposal of hazardous waste including reduction, separation, pretreatment, processing and resource recovery, for education of persons involved in regulating and handling hazardous waste;

(i) Intervention and environmental mediation by the legislative commission on waste management under chapter 115A; and

(j) Grants by the agency to study the extent of contamination and feasibility of cleanup of hazardous substances and pollutants or contaminants in major waterways of the state;

(k) Acquisition of a property interest under section 115B.17, subdivision 15;

(l) Reimbursement, in an amount to be determined by the agency in each case, to a political subdivision that is not a responsible

person under section 115B.03 for reasonable and necessary expenditures resulting from an emergency caused by a release or threatened release of a hazardous substance, pollutant, or contaminant; and

(m) Reimbursement to a political subdivision for expenditures over the limit on political subdivision liability under section 115B.04, subdivision 4.

Sec. 20. Minnesota Statutes 1988, section 115B.25, subdivision 1, is amended to read:

Subdivision 1. [~~GENERAL APPLICATION.~~] The terms used in sections 115B.25 to 115B.37 have the definitions meanings given them in section 115B.02 and this section.

Sec. 21. Minnesota statutes 1988, section 115B.25, subdivision 2 is amended to read:

Subd. 2. [BOARD.] "Board" means the hazardous harmful substance injury compensation board established in section 115B.27.

Sec. 22. Minnesota Statutes 1988, section 115B.25, is amended by adding a subdivision to read:

Subd. 6a. [FACILITY.] "Facility" has the meaning given it in section 115B.02, subdivision 5.

Sec. 23. Minnesota Statutes 1988, section 115B.25, subdivision 7, is amended to read:

Subd. 7. [FUND.] "Fund" means the hazardous harmful substance injury compensation fund established in section 115B.26.

Sec. 24. Minnesota Statutes 1988, section 115B.25, is amended by adding a subdivision to read:

Subd. 7a. [HARMFUL SUBSTANCE.] "Harmful substance" means:

(1) any commercial chemical designated under the Federal Water Pollution Control Act, United States Code, title 33, section 1321(b)(2)(A);

(2) any hazardous air pollutant listed under the Clean Air Act, United States Code, title 42, section 7412;

(3) any hazardous waste; and

(4) petroleum as defined in section 115C.02, subdivision 10.

Sec. 25. Minnesota Statutes 1988, section 115B.25, is amended by adding a subdivision to read:

Subd. 7b. [HAZARDOUS WASTE.] "Hazardous waste" has the meaning given it in section 115B.02, subdivision 9.

Sec. 26. Minnesota Statutes 1988, section 115B.25, is amended by adding a subdivision to read:

Subd. 7c. [PERSON.] "Person" has the meaning given it in section 115B.02, subdivision 12.

Sec. 27. Minnesota Statutes 1988, section 115B.25, is amended by adding a subdivision to read:

Subd. 9. [RELEASE.] "Release" has the meaning given it in section 115B.02, subdivision 15. Release does not include discharges or designed venting of petroleum from a tank allowed under rules of the pollution control agency.

Sec. 28. Minnesota Statutes 1988, section 115B.26, is amended to read:

115B.26 [HAZARDOUS HARMFUL SUBSTANCE INJURY COMPENSATION FUND.]

Subdivision 1. [ESTABLISHMENT.] A hazardous harmful substance injury compensation fund is established as an account in the state treasury. Earnings, such as interest, dividends, and any other earnings arising from fund assets, must be credited to the fund.

Subd. 2. [APPROPRIATION.] The amount necessary to pay for staff assistance, administrative services, and office space under section 115B.28, subdivision 4, and to pay claims of compensation granted by the board under sections 115B.25 to 115B.37 is appropriated to the board from the hazardous harmful substance injury compensation fund.

Subd. 3. [PAYMENT OF CLAIMS WHEN FUND INSUFFICIENT.] If the amount of the claims granted exceeds the amount in the fund, the board shall request a transfer from the general contingent account to the hazardous harmful substance injury compensation fund as provided in section 3.30. If no transfer is approved, the board shall pay the claims which have been granted in the order granted only to the extent of the money remaining in the fund. The board shall pay the remaining claims which have been granted after additional money is credited to the fund.

Subd. 4. [FUND TRANSFER REQUEST.] At the end of each fiscal year, the board shall submit a request to the petroleum tank release compensation board for transfer to the fund from the petroleum tank release cleanup fund under section 115C.08, subdivision 5 of an amount equal to the compensation granted by the board for claims related to petroleum releases plus administrative costs related to determination of those claims.

Sec. 29. Minnesota Statutes 1988, section 115B.27, subdivision 1, is amended to read:

Subdivision 1. [ESTABLISHMENT OF BOARD.] The hazardous harmful substance injury compensation board is established. The board consists of five members who will serve part time and who will be appointed by the governor with the advice and consent of the senate. One member must be a physician knowledgeable in toxicology; one member must be a member of the bar of this state; one member must be a health professional knowledgeable in the area of hazardous harmful substance injuries; and two members must be members of the general public. The board shall annually elect a member to serve as chair for a term of one year. Filling of vacancies on the board and removal of members are governed by section 15.0575.

Sec. 30. Minnesota Statutes 1988, section 115B.28, subdivision 2, is amended to read:

Subd. 2. [POWERS.] In addition to exercising any powers specified in sections 115B.25 to 115B.37 or in other law, the board may:

(1) in reviewing a claim, consider any information relevant to the claim, in accordance with the evidentiary standards contained in section 115B.35;

(2) contract for consultant or other services necessary to carry out the board's duties under sections 115B.25 to 115B.37;

(3) grant reasonable partial compensation on an emergency basis pending the final decision on a claim; subject to the adoption of rules by the board, if the claim is one with respect to which an award will probably be made and undue hardship will result to the claimant if immediate payment is not made;

(4) limit access to information collected and maintained by the board and take any other action necessary to protect privileged or confidential not public data as defined in section 13.02, subdivision 8a, and protected information, in accordance with the limitations contained in section 115B.35.

Sec. 31. Minnesota Statutes 1988, section 115B.29, subdivision 1, is amended to read:

Subdivision 1. [PERSONAL INJURY AND CERTAIN PROPERTY CLAIMS.] A person may file a claim with the board pursuant to this section for compensation for an eligible injury, or for eligible property damage described in section 115B.34, subdivision 2, paragraph (a), clause (1), that could reasonably have resulted from an exposure in Minnesota to a ~~hazardous~~ harmful substance released from a facility.

Sec. 32. Minnesota Statutes 1988, section 115B.30, subdivision 3, is amended to read:

Subd. 3. [TIME FOR FILING CLAIM.] A claim is not eligible for compensation from the fund unless it is filed with the board within the time provided in this subdivision.

(a) A claim for compensation for personal injury must be filed within two years after the injury and its connection to exposure to a ~~hazardous~~ harmful substance was or reasonably should have been discovered.

(b) A claim for compensation for property damage must be filed within ~~six~~ two years after the ~~damage was or reasonably should have been discovered~~ full amount of compensable losses can be determined.

Notwithstanding the provisions of this subdivision, claims for compensation that would otherwise be barred by any statute of limitations provided in sections 115B.25 to 115B.37 may be filed not later than January 1, 1988 1992.

Sec. 33. Minnesota Statutes 1988, section 115B.34, subdivision 2, is amended to read:

Subd. 2. [PROPERTY DAMAGE LOSSES.] (a) Losses compensable by the fund for property damage are limited to the following losses caused by damage to the principal residence of the claimant:

(1) the reasonable cost of replacing or decontaminating the primary source of drinking water for the property not to exceed the amount actually expended by the claimant or assessed by a local taxing authority, if the department of health has determined confirmed that the remedy provides safe drinking water and advised that the water is contaminated not be used for drinking or has included the property in a well advisory area and has certified determined that the replacement or decontamination of the source of drinking water effectively has or will eliminate the contamination was necessary, up to a maximum of \$25,000; and

(2) losses incurred as a result of a bona fide sale of the property at less than the appraised market value under circumstances that constitute a hardship to the owner, limited to 75 percent of the difference between the appraised market value and the selling price, but not to exceed \$25,000; and

(3) losses incurred as a result of the inability of an owner in hardship circumstances to sell the property due to the presence of harmful substances, limited to the increase in costs associated with the need to maintain two residences, but not to exceed \$25,000. In computation of the loss, the board shall offset the loss by the amount of any income received by the claimant from the rental of the property.

(b) For purposes of paragraph (a), the following definitions apply:

(1) "appraised market value" means an appraisal of the market value of the property disregarding any decrease in value caused by the presence of a hazardous harmful substance in or on the property; and

(2) "hardship" means an urgent need to sell the property based on a special circumstance of the owner including catastrophic medical expenses, inability of the owner to physically maintain the property due to a physical or mental condition, and change of employment of the owner or other member of the owner's household requiring the owner to move to a different location.

(c) Appraisals are subject to board approval. The board may adopt rules governing approval of appraisals, criteria for establishing a hardship, and other matters necessary to administer this subdivision.

Sec. 34. Minnesota Statutes 1988, section 115C.08, subdivision 4, is amended to read:

Subd. 4. [EXPENDITURES.] Money in the fund may only be spent:

(1) to administer the petroleum tank release cleanup program established in sections 115C.03 to 115C.10;

(2) for agency administrative costs under sections 116.46 to 116.50, sections 115C.03 to 115C.06, and costs of corrective action taken by the agency under section 115C.03, including investigations;

(3) for costs of recovering expenses of corrective actions under section 115C.04; and

(4) for training, certification, and rulemaking under sections 116.46 to 116.50; and

(5) for reimbursement of the harmful substance compensation fund under sections 115B.26, subdivision 4, and 115C.08, subdivision 5.

Sec. 35. Minnesota Statutes 1988, section 115C.08, is amended by adding a subdivision to read:

Subd. 5. [FUND TRANSFER.] The board shall authorize the commissioner of finance to transfer to the harmful substance compensation fund the amount requested by the harmful substance compensation board under section 115B.26, subdivision 4. Transfer of the amount must be made at the earliest practical date after authorization by the board unless the unexpended balance in the fund is less than \$1,000,000 in which case transfer must be made at the earliest practical date after the unexpended balance in the fund exceeds that amount.

Sec. 36. Minnesota Statutes 1988, section 116.07, is amended by adding a subdivision to read:

Subd. 4j. [PERMITS; SOLID WASTE FACILITIES.] The agency may not issue a permit for new or additional capacity for a mixed municipal solid waste resource recovery or disposal facility as defined in section 115A.03 unless each county projected in the permit to use the facility has in place a solid waste management plan approved under section 115A.46 or section 473.803. The agency shall issue the permit only if the capacity of the facility is consistent with the needs for resource recovery or disposal capacity identified in the approved plan or plans. Consistency must be determined by the metropolitan council for counties in the metropolitan area and by the agency for counties outside the metropolitan area. Plans approved before January 1, 1990, need not be revised if the capacity sought in the permit is consistent with the approved plan or plans.

The agency shall require as part of the permit application for a waste incineration facility identification of preliminary plans for ash management and ash leachate treatment or ash utilization. The permit issued by the agency must include requirements for ash management and ash leachate treatment.

Sec. 37. Minnesota Statutes 1988, section 466.04, subdivision 1, is amended to read:

Subdivision 1. [LIMITS; PUNITIVE DAMAGES.] Liability of any municipality on any claim within the scope of sections 466.01 to 466.15 shall not exceed

(a) \$200,000 when the claim is one for death by wrongful act or omission and \$200,000 to any claimant in any other case;

(b) \$600,000 for any number of claims arising out of a single occurrence;

(c) Twice the limits provided in clauses (a) and (b), ~~but not less than \$300,000 per claim,~~ when the claim arises out of the release or threatened release of a hazardous substance, whether the claim is brought under sections 115B.01 to 115B.15 or under any other law.

No award for damages on any such claim shall include punitive damages.

Sec. 38. Minnesota Statutes 1988, section 473.149, subdivision 2d, is amended to read:

Subd. 2d. [LAND DISPOSAL ABATEMENT PLAN.] ~~By January 1, 1985,~~ After considering any county land disposal abatement proposals and waste stream analysis that have been submitted by that date, pursuant to under section 473.803, subdivision 1b, the council shall amend its policy plan to include specific and quantifiable metropolitan objectives for abating to the greatest feasible and prudent extent the need for and practice of land disposal of mixed municipal solid waste and of specific components of the solid waste stream, including residuals and ash, either by type of waste or class of generator. The objectives must be stated in annual increments through the year 1990 and thereafter in five-year increments ~~through the year 2000~~ for a period of at least 20 years from the date of adoption of policy plan revisions. The plan must identify the capacity, based on the council's abatement objectives, needed for the disposal of various types of waste in each five-year increment and the general area of the region where the capacity should be developed. The plan must include a reduced estimate, based on the council's abatement objectives, of the added solid waste disposal capacity needed in appropriate sectors of the metropolitan area, stated in annual increments through the year 1990 and thereafter in five year increments through the year 2000. The plan must include objectives for waste reduction and measurable objectives for local abatement of solid waste through resource recovery and waste reduction, recycling and source separation programs and activities for each metropolitan county and for cities of the first class, the second class, and the third class, respectively, stated in annual increments through the year 1990 and in five-year increments through the year 2000 for a period of at least 20 years. The standards must be based upon and implement the council's metropolitan abatement objectives. The council's plan must include standards and procedures to be used by the council in determining whether a metropolitan county or class of cities within a metropolitan county has implemented the council's metropolitan land dis-

posal abatement plan and has achieved the objectives for local abatement.

Sec. 39. Minnesota Statutes 1988, section 473.149, subdivision 2e, is amended to read:

Subd. 2e. [SOLID WASTE DISPOSAL FACILITIES DEVELOPMENT SCHEDULE.] By January 1, 1985, After requesting and considering recommendations from the counties, cities, and towns, the council as part of its policy plan shall determine the number of sites and the capacity of sites to be acquired within each the metropolitan county area for solid waste disposal facilities in accordance with section 473.833. The council shall adopt a schedule of disposal capacity to be developed in each county through the year 2000 within the metropolitan area in five-year increments for a period of at least 20 years from adoption of development schedule revisions. The schedule may not allow capacity in excess of the council's reduced estimate of the disposal capacity needed because of the council's land disposal abatement plan, except as the council deems necessary to allow reallocation of capacity as required by this subdivision. The council shall make the implementation of elements of the schedule, including the disposal capacity allocated to each county, contingent on actions of each county and class of city in that county in adopting and implementing abatement plans pursuant to section 473.803, subdivision 1b. The council shall may review the development schedule every year and shall revise the development schedule and the allocation of disposal capacity required for each county based on the progress made in that county in the implementation of the council's abatement plans and achievement of metropolitan and local abatement objectives. The council shall review and revise, by resolution following public hearing, the development schedule and the allocation of disposal capacity required based on significant changes in the landfill capacity of the metropolitan area. The schedule may include procedures to be used by counties in selecting sites for acquisition pursuant to section 473.833. The schedule must include standards and procedures for council certification of need pursuant to section 473.823. The schedule must include a facility closure schedule and plans for postclosure management and disposition, for the use of property after acquisition and before facility development, and for the disposition of property and development rights, as defined in section 473.833, no longer needed for disposal facilities. The schedule must also include a closure schedule and plans for postclosure management for facilities in existence before the adoption of the development schedule.

Sec. 40. Minnesota Statutes 1988, section 473.803, is amended by adding a subdivision to read:

Subd. 2a. [WASTE ABATEMENT.] The council may require any county that fails to meet the waste abatement objectives contained in the council's policy plan to amend its master plan to address

methods to achieve the objectives. The master plan amendment is subject to council review and approval as provided in subdivision 2 and must consider at least:

- (1) minimum recycling service levels for solid waste generators;
- (2) mandatory generator participation in recycling programs including separation of recyclable material from mixed municipal solid waste;
- (3) use of organized solid waste collection under section 115A.94; and
- (4) waste abatement participation incentives including provision of storage bins, weekly collection of recyclable material, expansion of the types of recyclable material for collection, collection of recyclable material on the same day as collection of solid waste, and financial incentives such as basing charges to generators for waste collection services on the volume of waste generated and discounting collection charges for generators who separate recyclable material for collection separate from their solid waste.

Sec. 41. Minnesota Statutes 1988, section 473.811, subdivision 4, is amended to read:

Subd. 4. [COUNTY CONTRACTS.] Each metropolitan county may contract for the acquisition or use of existing public or private solid waste facilities or any facilities deemed necessary or useful for resource recovery from solid waste and may contract with any person for the operation or maintenance, or both, of any solid waste facility owned by the county. The contract shall provide for the operation or maintenance, or both, of the facility in accordance with any regulations, criteria, and standards of the agency, the metropolitan council and the county relating thereto. Any contract for the operation or maintenance of a solid waste facility may provide for the sale of solid waste, materials, electric energy, steam or other product to the operator or for a fee payable to the operator, which may be a fixed fee, or a fee based on tonnage or a percentage of income or other measure, or any combination thereof. A metropolitan county may warrant to the operator of a solid waste facility or contract purchaser of any solid waste, materials, electric energy, steam or other product the quality, composition and available quantity of the solid waste, materials, electric energy, steam or other product to be sold or delivered. A metropolitan county may enter into an agreement with a local government unit or the University of Minnesota for the purpose of compensating for the local risks, costs, or other effects of a waste processing facility.

Sec. 42. Minnesota Statutes 1988, section 473.823, subdivision 3, is amended to read:

Subd. 3. [SOLID WASTE FACILITIES; REVIEW PROCEDURES.] The agency shall request applicants for solid waste facility permits to submit all information deemed relevant by the council to its review, including without limitation information relating to the geographic areas and population served, the need, the effect on existing facilities and services, the effectiveness of proposed buffer areas to ensure at least protection of surrounding land uses from adverse impacts due to landfill operation and related activities, the anticipated public cost and benefit, the anticipated rates and charges, the manner of financing, the effect on metropolitan plans and development programs, the supply of waste, anticipated markets for any product, and alternative means of disposal or energy production. No permit may be issued for the operation of a solid waste facility in the metropolitan area which is not in accordance with the metropolitan council's solid waste policy plan. The metropolitan council shall determine whether a permit is in accordance with the policy plan. In making its determination, the council shall consider the areawide need and benefit of the applicant facility and the effectiveness of proposed buffer areas to adequately protect surrounding land uses in accordance with its policy plan, and may consider, without limitation, the effect of the applicant facility on existing and planned solid waste facilities described in a waste control commission implementation plan or county report or master plan. If the council determines that a permit is in accordance with its policy plan, the council shall approve the permit. If the council determines that a permit is not in accordance with its policy plan, it shall disapprove the permit. The council's approval of permits may be subject to conditions necessary to satisfy criteria and standards in its policy plan, including conditions respecting the type, character, and quantities of waste to be processed at a solid waste facility used primarily for resource recovery and the geographic territory from which a resource recovery facility or transfer station serving such a facility may draw its waste. For the purpose of this review and approval by the council, the agency shall send a copy of each permit application and any supporting information furnished by the applicant to the metropolitan council within 15 days after receipt of the application and all other information requested from the applicant. Within 60 days after the application and supporting information are received by the council, unless a time extension is authorized by the agency, the council shall issue to the agency in writing its determination whether the permit is disapproved, approved, or approved with conditions. If the council does not issue its determination to the agency within the 60-day period, unless a time extension is authorized by the agency, the permit shall be deemed to be in accordance with the council's policy plan. No permit shall be issued in the metropolitan area for a solid waste facility used primarily for resource recovery or a transfer station serving such a facility, if the facility or station is owned or operated by a public agency or if the acquisition or betterment of the facility or station is secured by public funds or obligations issued by a public agency, unless the council finds and determines that adequate markets exist for the products recovered and that establishment of the facility is consis-

tent with the criteria and standards in the metropolitan and county plans respecting the protection of existing resource recovery facilities and transfer stations serving such facilities.

Sec. 43. Minnesota Statutes 1988, section 473.831, subdivision 2, is amended to read:

Subd. 2. [USE OF PROCEEDS.] The proceeds of bonds issued under subdivision 1 shall be used by the council:

(a) to provide funds for the environmental analysis of solid waste disposal sites; and

(b) to make grants to metropolitan counties to pay for: (1) the cost of the environmental review of sites, (2) the acquisition of development rights for all or part of the period that the development limitation imposed by section 473.806 is in effect, (3) the acquisition of permanent or temporary right, title, or interests in property, including easements and development rights, for solid waste disposal sites and surrounding buffer areas required to be acquired by the county, pursuant to sections 473.833 and 473.840, by the council's policy plan and development schedule adopted pursuant to section 473.149, subdivision 2e, and (4) the acquisition and improvement of resource recovery facilities; and

(c) to reimburse a city or town that contains a solid waste disposal site identified by the council under section 473.149, subdivision 2b, for costs incurred by the city or town after publication of an environmental impact statement preparation notice for the site. Reimbursement may not exceed \$100,000 for a city or town. Costs eligible for reimbursement under this paragraph are those incurred for data collection, technical review, and analysis necessary to evaluate the draft environmental impact statement prepared by the county under section 473.833, subdivision 2a and the site selection decision made under section 473.833, subdivision 3. Legal fees are not eligible for reimbursement under this paragraph.

If the council is required by law or rule to prepare environmental analyses on one or more solid waste disposal sites and surrounding buffer areas, the council may use the proceeds of the bonds issued under subdivision 1 to contract for consultant services in the preparation of such analyses only upon a finding that equivalent expertise is not available among its own staff.

Sec. 44. Minnesota Statutes 1988, section 473.833, subdivision 2, is amended to read:

Subd. 2. [REQUIREMENT.] Each metropolitan county shall select and acquire sites and buffer areas for solid waste disposal facilities in accordance with this section and the council's policy plan and

development schedule adopted pursuant to section 473.149, subdivision 2e. Each county in which a site is selected and acquired must ensure development of the site in accordance with the landfill development schedule in the council's policy plan if the site is permittable by the agency and if its development is prudent as determined by the council.

Sec. 45. Minnesota Statutes 1988, section 473.833, subdivision 2a, is amended to read:

Subd. 2a. [ENVIRONMENTAL IMPACT STATEMENT.] Each metropolitan county shall complete an environmental impact statement on the environmental effects of the decision required by subdivision 3. The statement shall be prepared and reviewed in accordance with chapter 116D and the rules issued pursuant thereto, except as otherwise required by section 473.149 and this section. The determination of adequacy must be made within one year following the council's adoption of the facilities development schedule pursuant to section 473.149, subdivision 2e. The statement must be consistent with the establishment of facilities in accordance with the requirements of the council's development schedule, must not address or reconsider alternatives eliminated from consideration under sections 473.149, 473.803, subdivisions 1, 1a, and 1b, and this section, and must not address matters to be determined by the council under section 473.823, subdivision 6. The statement must address matters respecting permitting under section 473.823 only to the extent deemed necessary for the siting decision required by subdivision 3. The pollution control agency and the council shall assist and advise counties in the scoping decision and the preparation notice. The site selection authority established in subdivision 3, or the council, if it makes the selection under subdivision 3, shall prepare a record of decision, including specific findings of fact, that identifies how the environmental impact statement required by this subdivision was used by the site selection authority to make its site selection decision.

Sec. 46. Minnesota Statutes 1988, section 473.843, subdivision 1, is amended to read:

Subdivision 1. [AMOUNT OF FEE; APPLICATION.] The operator of a mixed municipal solid waste disposal facility in the metropolitan area shall pay a fee on solid waste accepted and disposed at the facility as follows:

(a) A facility that weighs the waste that it accepts must pay a fee of ~~50 cents~~ \$2 per cubic yard based on equivalent cubic yards of waste accepted at the entrance of the facility.

(b) A facility that does not weigh the waste but that measures the volume of the waste that it accepts must pay a fee of ~~50 cents~~ \$2 per cubic yard of waste accepted at the entrance of the facility.

(c) Waste residue from energy and resource recovery facilities at which solid waste is processed for the purpose of extracting, reducing, converting to energy, or otherwise separating and preparing solid waste for reuse, or from recycling facilities at which recyclable materials are separated or processed for the purposes of recycling, is exempt from one-half of the amount of the fee imposed by this subdivision if there is at least an 85 percent volume reduction in the solid waste processed. To qualify for exemption under this clause, waste residue must be brought to a disposal facility separately. The commissioner of revenue, with the advice and assistance of the council and the agency, shall prescribe procedures for determining the amount of waste residue qualifying for exemption.

Sec. 47. Minnesota Statutes 1988, section 473.843, subdivision 2, is amended to read:

Subd. 2. [DISPOSITION OF PROCEEDS.] After reimbursement to the department of revenue for costs incurred in administering this section, the proceeds of the fees imposed under this section, including interest and penalties, must be deposited as follows:

(a) one-half three-fourths of the proceeds must be deposited in the landfill abatement fund established in section 473.844; and

(b) one-half one-fourth of the proceeds must be deposited in the metropolitan landfill contingency action fund established in section 473.845.

Sec. 48. Minnesota Statutes 1988, section 473.844, subdivision 1a, is amended to read:

Subd. 1a. [USE OF FUNDS.] (a) The money in the fund may be spent only for the following purposes:

(1) assistance to any person for resource recovery projects funded under subdivision 4 or projects to develop and coordinate markets for reusable or recyclable waste materials, including related public education, planning, and technical assistance;

(2) grants to counties under section 473.8441; and

(3) program administration by the metropolitan council;

(4) public education on solid waste reduction and recycling; and

(5) solid waste research.

(b) The council shall allocate 50 percent of the annual revenue received by the fund for grants to counties under section 473.8441.

Sec. 49. Minnesota Statutes 1988, section 473.8441, subdivision 5, is amended to read:

Subd. 5. [GRANT ALLOCATION PROCEDURE.] (a) The council shall distribute the funds annually so that each qualifying county receives a base amount of \$25,000 an equal share of 50 percent of the council's allocation to the program described in this section, plus a proportionate share of the remaining funds available for the program. A county's proportionate share is an amount that has the same proportion to the total remaining funds as the number of households in the county has to the total number of households in all metropolitan counties. The council shall distribute the funds in two parts.

(b) The first distribution consists of the base amount plus one-third of the county's proportionate share. To qualify for the first distribution, a county must submit an application for council approval before December 1, 1987. Not more than one-half of the first distribution may be spent for planning and consultants.

(c) The second distribution consists of the remaining funds available for the program. To qualify for the second distribution, a county must have received funds under the first distribution and must submit for council approval by December 1, 1988, a report on expenditures and activities under the program, a local recycling implementation strategy as required by section 473.803, subdivision 1c, and a proposed performance funding system that will allocate all of the remaining funds available under the program for recycling implementation activities in accordance with performance. To qualify for distribution of funds, a county, by August 15 of each year, must submit for council approval a report on expenditures and activities under the program during the preceding fiscal year and any proposed changes in its recycling implementation strategy or performance funding system.

Sec. 50. Minnesota Statutes 1988, section 473.845, subdivision 2, is amended to read:

Subd. 2. [WATER SUPPLY MONITORING AND HEALTH ASSESSMENTS.] Up to ten percent of the money in the fund may be appropriated to the commissioner of health for water supply monitoring and health assessments. The commissioner shall monitor the quality of water in public water supply wells and may monitor private water supply wells in the metropolitan area that may be affected by their location in relation to a facility for mixed municipal solid waste. Testing under this subdivision must be for substances not funded under the Federal Safe Drinking Water Act. The health assessments may be conducted in areas that may be affected by contaminants from mixed municipal solid waste facilities.

Sec. 51. Minnesota Statutes 1988, section 473.848, is amended to read:

473.848 [RESTRICTION ON DISPOSAL.]

Subdivision 1. [RESTRICTION.] After January 1, 1990, no person may dispose of unprocessed mixed municipal solid waste at waste disposal facilities located in the metropolitan area may not accept mixed municipal solid waste for disposal unless:

(1) the waste has been certified as unprocessable by a county under subdivision 2; or

(2)(i) the waste has been transferred to the disposal facility from a resource recovery facility identified by the council;

(ii) no other resource recovery facility in the metropolitan area is capable of processing the waste; and

(iii) the waste has been certified as unprocessable by the operator of the resource recovery facility under subdivision 3.

For purposes of this section, mixed municipal solid waste does not include street sweepings, construction debris, mining waste, foundry sand, and other materials, if they are not capable of being processed by resource recovery as determined by the council.

Subd. 2. [COUNTY CERTIFICATION; COUNCIL APPROVAL.] Each county that has not implemented designation of all or a portion of its mixed municipal solid waste to a resource recovery facility shall submit a semiannual certification report to the council detailing the quantity of waste generated in the county that was not processed prior to transfer to a disposal facility during the six months preceding the report, the reasons the waste was not processed, a strategy for development of techniques to ensure processing of waste including a specific timeline for implementation of those techniques, and any progress made by the county in reducing the amount of unprocessed waste.

The council shall approve a county's report if it determines that the county is reducing and will continue to reduce the amount of unprocessed waste, based on the report and the county's progress in development and implementation of techniques to reduce the amount of unprocessed waste transferred to disposal facilities. If the council does not approve a county's report, it shall negotiate with the county to develop and implement specific techniques to reduce unprocessed waste. If the council does not approve three or more consecutive reports from any one county, the council shall develop specific reduction techniques that are designed for the particular

needs of the county. The county shall implement those techniques by specific dates to be determined by the council.

Subd. 3. [FACILITY CERTIFICATION; COUNTY REPORTS.] The operator of each resource recovery facility that receives waste from counties in the metropolitan area shall certify as unprocessable each load of mixed municipal solid waste it does not process. Certification must be made to each county that sends its waste to the facility at intervals specified by the county. Certification must include at least the number and size of loads certified as unprocessable, including those that would otherwise have been processed but were not processed because the facility was not in operation, and the reasons the waste is unprocessable.

Each county that sends its waste to a resource recovery facility shall submit a semiannual report to the council detailing the quantity of waste generated within the county that was not processed during the six months preceding the report, the reasons the waste was not processed, and a strategy for reducing the amount of unprocessed waste.

Subd. 4. [COUNCIL REPORT.] The council shall include, as part of its report to the legislative commission on waste management required under section 473.149, an accounting of the quantity of unprocessed mixed municipal solid waste transferred to disposal facilities, the reasons the waste was not processed, a strategy for reducing the amount of unprocessed waste, and progress made by counties to reduce the amount of unprocessed waste. The council may adopt standards for determining when waste is unprocessable and procedures for expediting certification and reporting of unprocessed waste.

Sec. 52. Laws 1984, chapter 644, section 85, as amended by Laws 1987, chapter 348, section 50, is amended to read:

Sec. 85. [EFFECTIVE DATE.]

Sections 1 to 45, 48 to 51, 56 to 72, and 78 to 84 are effective the day following final enactment. Sections 46, 47, and 73 to 77 are effective January 1, 1985, except that the fees imposed in sections 46, 47, and 73 shall be effective January 1, ~~1990~~ 1991, with respect to nonhazardous solid waste from metalcasting facilities. Prior to January 1, ~~1990~~ 1991, an operator of a facility that is located in the metropolitan area for the disposal of mixed municipal solid waste shall deduct from the disposal charge for nonhazardous solid waste from metalcasting facilities the fee imposed under sections 46, 47, and 73.

Section 52 is effective for taxable years after December 31, 1983. Section 55 is effective for sales after June 30, 1984. Sections 53 and 54 are effective for taxable years after December 31, 1984.

Sec. 53. [SOLID WASTE MANAGEMENT DISTRICT; STUDY.]

The agency shall conduct a study of the legislation authorizing the establishment of solid waste management districts, Minnesota Statutes, sections 115A.62 to 115A.72, and related mechanisms, such as joint powers agreements authorized by section 471.59, to determine their effectiveness in the area of solid waste management. By December 1, 1989, the agency shall report its findings, together with any recommendation for legislation, to the legislative commission on waste management.

Sec. 54. [METROPOLITAN COUNCIL; SOLID WASTE POLICY PLAN.]

At the earliest practical date, the metropolitan council shall amend its solid waste management policy plan, required under section 473.149, to include a definition of and standards and criteria for a buffer area as that term is used in relation to the inventory of solid waste disposal sites in section 473.149, subdivision 2b, and other related state law. The standards and criteria for a buffer area must ensure, at a minimum, protection of surrounding land uses from adverse or incompatible impacts due to landfill operation and related activities.

Sec. 55. [CLOSED MUNICIPAL LANDFILLS; FINANCIAL ASSURANCE AND CLOSURE REQUIREMENTS.]

A publicly operated mixed municipal solid waste landfill that stops accepting waste before July 1, 1990, is exempt from Minnesota Rules, parts 7035.2665 to 7035.2805, relating to financial assurance requirements.

Nothing in this section may be construed to eliminate public owner or operator responsibility and liability for closure or postclosure care required of facilities under Minnesota Statutes, section 116.07 and the rules adopted under it.

The pollution control agency shall study additional alternatives within the financial assurance requirements set forth in Minnesota Rules, parts 7035.2665 to 7035.2805 and report to the legislative commission on waste management by January 1, 1990.

Sec. 56. [ASH DEMONSTRATION PROJECTS; STATE INDEMNIFICATION.]

Subdivision 1. [SEWAGE SLUDGE ASH PROJECT; REPORT.] The metropolitan waste control commission and the commissioner of transportation shall jointly conduct one or more demonstration projects to determine the long-term potential and effects of the use of sewage sludge ash generated by the commission as a fine

aggregate in asphalt for use in state paving projects. The commission and the commissioners of transportation and the pollution control agency shall assess the practicality, costs, and potential environmental effects of use of the ash in asphalt and shall report to the legislative commission on waste management by November 1, 1990. The report must include a description of the projects undertaken, findings, and recommendations for further research needs and the future use of sewage sludge ash in asphalt.

Subd. 2. [SOLID WASTE ASH PROJECT; REPORT.] The Hennepin county board and the commissioner of transportation may jointly conduct a demonstration project to determine the long-term potential and effects of using solid waste ash as an aggregate in asphalt for use in road projects. The commissioners of transportation and the pollution control agency shall assess the practicality, costs, and potential effects of the use of the ash in asphalt and shall submit a report to the legislative commission on waste management by May 1, 1990, to include a description of the projects undertaken, findings, and recommendations for the future research needs and future use of solid waste ash in asphalt.

Subd. 3. [INDEMNIFICATION.] The state, through the general fund, assumes any and all liability related to the projects authorized in this section that is imposed on the metropolitan waste control commission, the commissioner of transportation, the county of Hennepin, and their employees, agents, and contractors, if the liability is based on classification of the ash as hazardous waste or a pollutant or contaminant under state or federal law. The state assumes the liability only if:

(1) the project is conducted in compliance with a permit issued by the pollution control agency; and

(2) if the entity held liable used due care in implementing the project.

The commissioner of transportation and the commissioner's agents and contractors are not responsible parties under chapters 115 and 115B for a release that occurs as a result of a project authorized by this section.

Sec. 57. [COLLECTOR COMPENSATION REPORT.]

The legislative commission on waste management with the participation of representatives of local government and of the solid waste collection industry shall prepare a report which examines whether and under what circumstances a local unit of government shall ensure just and reasonable compensation to solid waste collectors who are displaced when a local unit of government organizes solid waste collection under Minnesota Statutes, section 115A.94. The commission shall complete its report and recommend

for legislative action any compensation mechanism found necessary by January 31, 1990.

Sec. 58. [APPROPRIATION.]

\$10,000 is appropriated for fiscal year 1990 from the general fund for the purposes of section 57.

Sec. 59. [REPEALER.]

Minnesota Statutes 1988, sections 115A.98; and 115B.29, subdivision 2, are repealed.

Sec. 60. [INSTRUCTION TO REVISOR.]

The revisor of statutes is directed to change the words "hazardous substance" whenever they appear in Minnesota Statutes, sections 13.771 and 115B.28 to 115B.33, to "harmful substance" in Minnesota Statutes 1990 and subsequent editions to the statutes.

Sec. 61. [EFFECTIVE DATE; APPLICATION.]

Section 4 is effective January 1, 1990.

Section 16 is effective June 30, 1989.

Sections 17 and 37 are effective the day following final enactment and apply to all response actions initiated or pending on or after that date.

Sections 18 and 19 are effective the day following final enactment and section 19, paragraph (l), applies to expenditures resulting from emergencies that occur after January 1, 1988.

Sections 45 and 54 are effective the day following final enactment."

Delete the title and insert:

"A bill for an act relating to waste management; defining waste reduction; extending the expiration date of waste advisory councils; authorizing counties to designate waste to landfills; requiring financial reports from landfills; clarifying the limits of political subdivision liability for superfund cleanup at landfills; authorizing the pollution control agency to acquire interests in real estate necessary for superfund; authorizing superfund to reimburse political subdivisions for costs incurred in responding to emergency releases of hazardous materials; making claims for injuries due to petroleum contamination eligible for compensation by the harmful substances compensation fund; authorizing transfer of money from the petro-

leum tank release cleanup fund; altering the metropolitan council's authority for solid waste planning; raising the solid waste disposal fee in the metropolitan area; clarifying the 1990 ban on disposal of unprocessed waste in the metropolitan area; extending the date until which metalcasters are not liable for payment of solid waste generator fees; requiring a study of solid waste management district legislation; amending Minnesota Statutes 1988, sections 115A.03, by adding a subdivision; 115A.12, subdivision 1; 115A.14, subdivision 2; 115A.46, subdivision 2; 115A.54, subdivision 2a; 115A.80; 115A.81, subdivision 2; 115A.83; 115A.84; 115A.85, subdivision 2; 115A.86, subdivisions 3 and 5; 115A.893; 115A.906, by adding a subdivision; 115A.94, by adding a subdivision; 115B.04, subdivision 4; 115B.17, by adding a subdivision; 115B.20, subdivision 2; 115B.25, subdivisions 1, 2, 7, and by adding subdivisions; 115B.26; 115B.27, subdivision 1; 115B.28, subdivision 2; 115B.29, subdivision 1; 115B.30, subdivision 3; 115B.34, subdivision 2; 115C.08, subdivision 4, and by adding a subdivision; 116.07, by adding a subdivision; 466.04, subdivision 1; 473.149, subdivisions 2d and 2e; 473.803, by adding a subdivision; 473.811, subdivision 4; 473.823, subdivision 3; 473.831, subdivision 2; 473.833, subdivisions 2 and 2a; 473.843, subdivisions 1 and 2; 473.844, subdivision 1a; 473.8441, subdivision 5; 473.845, subdivision 2; and 473.848; Laws 1984, chapter 644, section 85, as amended; proposing coding for new law in Minnesota Statutes, chapter 115A; repealing Minnesota Statutes 1988, sections 115A.98; and 115B.29, subdivision 2."

The motion prevailed and the amendment was adopted.

McPherson and Lynch moved to amend S. F. No. 530, as amended, as follows:

Page 27, after line 26, insert:

"Sec. 41. [473.8061] [ELIMINATION OF SOLID WASTE DISPOSAL SITE INVENTORY.]

The inventory of sites suitable for mixed municipal solid waste disposal facilities under sections 473.803, subdivision 1a, and 473.806, is eliminated and metropolitan counties may release the proposed sites.

Sec. 41. [473.8062] [PLAN FOR SOLID WASTE DISPOSAL VOLUNTEER SITES.]

The pollution control agency shall develop a plan to provide adequate incentives to metropolitan counties to volunteer sites suitable for mixed municipal solid waste disposal facilities.

Sec. 42. Minnesota Statutes 1988, section 473.811, subdivision 1a, is amended to read:

Subd. 1a. [RIGHT OF ACCESS.] Whenever the county or county site selection authority deems it necessary to the evaluation of a waste facility for enforcement purposes or to the evaluation of a site or buffer area for inclusion in the inventory of disposal sites pursuant to section 473.149, subdivision 2b, and section 473.803, subdivision 1a, or for selection or final acquisition under section 473.833, or for the accomplishment of any other purpose under sections 473.149, 473.153, and 473.801 to 473.834, the county, county site selection authority or any member, employee, or agent thereof, when authorized by it, may enter upon any property, public or private, for the purpose of obtaining information or conducting surveys or investigations, provided that the entrance and activity is undertaken after reasonable notice and during normal business hours and provided that compensation is made for any damage to the property caused by the entrance and activity."

Page 27, after line 26, insert:

"Sec. 44. Minnesota Statutes 1988, section 473.823, subdivision 6, is amended to read:

Subd. 6. [COUNCIL; CERTIFICATION OF NEED.] No new mixed municipal solid waste disposal facility or capacity shall be permitted in the metropolitan area without a certificate of need issued by the council indicating the council's determination that the additional disposal capacity planned for the facility is needed in the metropolitan area. The council shall amend its policy plan, adopted pursuant to section 473.149, to include standards and procedures for certifying need that conform to the certification standards stated in this subdivision. The standards and procedures shall be based on the council's disposal abatement plan adopted pursuant to section 473.149, subdivision 2d, the council's solid waste disposal facilities development schedule adopted under section 473.149, subdivision 2e, and the provisions of any master plans of counties that have been approved by the council under section 473.803, subdivision 2, and that are consistent with the council's abatement plan and development schedule. The council shall certify need only to the extent that there are no feasible and prudent alternatives to the disposal facility, including waste reduction, source separation and resource recovery which would minimize adverse impact upon natural resources. Alternatives that are speculative or conjectural shall not be deemed to be feasible and prudent. Economic considerations alone shall not justify the certification of need or the rejection of alternatives. In its certification the council shall not consider alternatives which have been eliminated from consideration by the adoption of the inventory pursuant to section 473.149, subdivision 2b, or the selection of sites under section 473.833, subdivision 3."

Page 27, line 34, after (2) strike "the"

Page 27, strike lines 35 and 36

Page 28, line 1, strike "effect, (3)"

Page 28, line 7, strike "(4)" and insert "(3)"

Page 29, after line 31, insert:

"Sec. 48. Minnesota Statutes 1988, section 473.840, subdivision 2, is amended to read:

Subd. 2. [DEFINITIONS.] (a) "Qualifying property" is a parcel of real property any part of which is located within the site or buffer area of a candidate site under section 473.153, or a site included in the metropolitan inventory adopted under section 473.149, subdivision 2b, for the purposes of environmental review under section 473.833, subdivision 2a.

(b) An "eligible owner" is a person who: (1) owns the entire parcel of qualifying property; (2) owned the entire parcel of property at the time the site was selected as a candidate site or included in the metropolitan inventory; and (3) has not previously entered a contract under subdivision 4 for the sale of any or all of the parcel."

Page 35, line 31, delete "and"

Page 35, line 32, before the comma insert "473.149, subdivision 2b; 473.803, subdivision 1a; and 473.806"

Page 36, line 15, after the period insert "Sections 40, 41, 42, 44, and 48 are effective July 1, 1989."

Renumber the sections in sequence

Correct internal references

Amend the title accordingly

A roll call was requested and properly seconded.

The question was taken on the McPherson and Lynch amendment and the roll was called. There were 28 yeas and 102 nays as follows:

Those who voted in the affirmative were:

Beard	Girard	Limmer	Onnen	Stanius
Bennett	Gutknecht	Lynch	Poppenhagen	Sviggum
Carlson, D.	Haukoos	McDonald	Richter	Swenson
Dempsey	Hugoson	McPherson	Runbeck	Weaver
Frederick	Johnson, V.	Miller	Schafer	
Frerichs	Lasley	Omann	Schreiber	

Those who voted in the negative were:

Abrams	Greenfield	Lieder	Otis	Solberg
Anderson, G.	Gruenes	Long	Ozment	Sparby
Anderson, R.	Hartle	Macklin	Pappas	Steensma
Battaglia	Hasskamp	Marsh	Pauly	Tjornhom
Bauerly	Heap	McEachern	Pellow	Tompkins
Begich	Henry	McGuire	Pelowski	Trimble
Bertram	Himle	McLaughlin	Peterson	Tunheim
Blatz	Jacobs	Milbert	Price	Uphus
Boo	Janezich	Morrison	Pugh	Valento
Brown	Jaros	Munger	Redalen	Vellenga
Burger	Jefferson	Murphy	Reding	Wagenius
Carlson, L.	Jennings	Nelson, C.	Rest	Waltman
Carruthers	Johnson, A.	Nelson, K.	Rice	Welle
Clark	Johnson, R.	O'Connor	Rodosovich	Wenzel
Conway	Kahn	Ogren	Rukavina	Williams
Cooper	Kalis	Olsen, S.	Sarna	Winter
Dauner	Kelly	Olson, E.	Scheid	Wymia
Dawkins	Kelso	Olson, K.	Seaberg	Spk. Vanasek
Dille	Kinkel	Orenstein	Segal	
Dorn	Knickerbocker	Osthoff	Simoneau	
Forsythe	Krueger	Ostrom	Skoglund	

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

Wenzel was excused while in conference.

Sparby; Carlson, D., and Abrams moved to amend S. F. No. 530, as amended, as follows:

Page 40, after line 7, insert:

"Sec. 58. [INTERIM PERMITTING AND USE REQUIREMENTS FOR COMBUSTION OF REFUSE DERIVED FUEL.]

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

(b) "Refuse derived fuel" means a product resulting from the processing of mixed municipal solid waste in a manner that reduces the quantity of noncombustible material present in the waste, reduces the size of waste components through shredding or other mechanical means, and produces a fuel suitable for combustion in existing or new solid fuel fired boilers.

(c) "Solid fuel fired boiler" means a device that is designed to combust solid fuel, including but not limited to: wood, coal, biomass, or lignite to produce steam or heat water.

(d) "Minor physical or operational modifications" means physical or operational changes that do not increase the rated energy production capacity of a solid fuel fired boiler and which do not involve capital costs in excess of 20 percent of a new solid fuel fired boiler having the same rated capacity.

Subd. 2. [INTERIM PERMITTING AND USE OF REFUSE DERIVED FUEL.] (a) The provisions in this subdivision are applicable to the permitting and use of refuse derived fuel in solid fuel fired boilers for an interim period that expires on occurrence of the earliest of the following events:

(1) final promulgation of rules by the United States Environmental Protection Agency establishing new permitting, emissions or performance requirements for municipal waste combustion facilities;

(2) final promulgation of rules by the pollution control agency establishing new standards of performance for incinerators or solid waste energy recovery facilities; or

(3) June 30, 1991.

(b) Existing or new solid fuel fired boilers may utilize refuse derived fuel for up to 25 percent of their rated heat input capacity during the interim period under the following conditions:

(1) utilization of refuse derived fuel involves no modification or only minor modification to the solid fuel fired boiler;

(2) utilization of refuse derived fuel does not cause a violation of existing emissions limitations or ambient air quality standards applicable to the solid fuel fired boiler; and

(3) the solid fuel fired boiler has a valid permit to operate."

Renumber the sections in sequence

Correct the internal references

Amend the title accordingly

A roll call was requested and properly seconded.

Kahn moved to amend the Sparby et al amendment to S. F. No. 530, as amended, as follows:

Page 2, line 19, after "existing" insert "United States Environmental Protection Agency"

Page 2, line 20, delete "and"

Page 2, line 22, after "operate" insert "; and

(4) the boiler meets reasonable test burn requirements set by the pollution control agency.

The results from the test burn must be used solely for purposes of determining permitting for purposes of this provision and for no other purpose"

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

The question recurred on the Sparby et al amendment and the roll was called. There were 124 yeas and 6 nays as follows:

Those who voted in the affirmative were:

Abrams	Forsythe	Kinkel	Omamm	Schreiber
Anderson, G.	Frederick	Knickerbocker	Onnen	Seaberg
Anderson, R.	Frerichs	Kostohryz	Orenstein	Segal
Battaglia	Girard	Krueger	Osthoff	Simoneau
Bauerly	Greenfield	Lasley	Ostrom	Skoglund
Beard	Gruenes	Lieder	Otis	Solberg
Begich	Gutknecht	Limmer	Ozment	Sparby
Bennett	Hartle	Long	Pauly	Stanius
Bertram	Hasskamp	Lynch	Pellow	Steensma
Bishop	Haukoos	Macklin	Pelowski	Sviggum
Blatz	Heap	Marsh	Peterson	Swenson
Boo	Henry	McDonald	Poppenhagen	Tjornhom
Brown	Himle	McGuire	Price	Tompkins
Burger	Hugoson	McLaughlin	Pugh	Tunheim
Carlson, D.	Jacobs	McPherson	Quinn	Uphus
Carlson, L.	Janezich	Milbert	Redalen	Valento
Carruthers	Jaros	Miller	Reding	Vellenga
Clark	Jefferson	Morrison	Rest	Waltman
Conway	Jennings	Murphy	Rice	Weaver
Cooper	Johnson, A.	Nelson, C.	Richter	Welle
Dauner	Johnson, R.	Nelson, K.	Rodosovich	Williams
Dawkins	Johnson, V.	O'Connor	Runbeck	Winter
Dempsey	Kalis	Olsen, S.	Sarna	Wynia
Dille	Kelly	Olson, E.	Schafer	Spk. Vanasek
Dorn	Kelso	Olson, K.	Scheid	

Those who voted in the negative were:

Kahn	Pappas	Trimble
Munger	Rukavina	Wagenius

The motion prevailed and the amendment was adopted.

Sparby and Carlson, D., moved to amend S.F. No. 530, as amended, as follows:

Page 2, line 14, before "The" insert "(a)"

Page 2, line 16, strike "and" and insert a comma

Page 2, line 17, after "council" insert "and a market development coordinating council, that are"

Page 2, line 19, before "The" insert "(b)"

Page 2, line 27, before "The" insert "(c)"

Page 2, line 31, before "The" insert:

"(d) The market development coordinating council shall consist of one representative from the department of trade and economic development, the department of administration, the pollution control agency, the Greater Minnesota Corporation, the metropolitan council, and the legislative commission on waste management. The other members shall represent local government units, private recycling markets, and private collectors. The market development coordinating council expires June 30, 1994.

(e)"

Amend the title accordingly

The motion prevailed and the amendment was adopted.

S. F. No. 530, A bill for an act relating to waste management; defining waste reduction; extending the expiration date of waste advisory councils; authorizing counties to designate waste to landfills; requiring financial reports from landfills; clarifying the limits of political subdivision liability for superfund cleanup at landfills; authorizing the pollution control agency to acquire interests in real estate necessary for superfund; authorizing superfund to reimburse political subdivisions for costs incurred in responding to emergency releases of hazardous materials; making claims for injuries due to petroleum contamination eligible for compensation by the harmful substance compensation fund; authorizing transfer of money from the petroleum tank release cleanup fund; altering the metropolitan council's authority for solid waste planning; raising the solid waste disposal fee in the metropolitan area; clarifying the 1990 ban on disposal of unprocessed waste in the metropolitan area; extending the date until which metalcasters are not liable for payment of solid waste generator fees; requiring a study of solid waste management district legislation; amending Minnesota Statutes 1988, sections 115A.01; 115A.02; 115A.03, by adding a subdivision; 115A.12, subdivision 1; 115A.14, subdivision 2; 115A.46, subdivision 2; 115A.54, subdivision 2a; 115A.80; 115A.81, subdivision 2; 115A.83; 115A.84; 115A.85, subdivision 2; 115A.86, subdivisions 3 and 5; 115A.893; 115A.906, by adding a subdivision; 115A.919; 115A.921; 115A.94, by adding subdivisions; 115B.04, subdivision 4; 115B.17, by adding a subdivision; 115B.20, subdivision 2; 115B.25, subdivisions 1, 2, 7, and by adding subdivisions; 115B.26; 115B.27, subdi-

vision 1; 115B.28, subdivision 2; 115B.29, subdivision 1; 115B.30, subdivision 3; 115B.34, subdivision 2; 115C.08, subdivision 4, and by adding a subdivision; 116.07, by adding a subdivision; 400.04, subdivision 3; 466.04, subdivision 1; 473.149, subdivisions 2d and 2e, and by adding a subdivision; 473.803, by adding a subdivision; 473.811, subdivisions 1a and 4; 473.823, subdivisions 3 and 6; 473.831, subdivision 2; 473.833, subdivision 2a; 473.840, subdivision 2; 473.843, subdivisions 1 and 2; 473.844, subdivision 1a; 473.8441, subdivision 5; 473.845, subdivisions 1 and 2; and 473.848; Laws 1984, chapter 644, section 85, as amended; proposing coding for new law in Minnesota Statutes, chapters 115A and 473; repealing Minnesota Statutes 1988, sections 115A.98; 115B.29, subdivision 2; 473.149, subdivision 2b; 473.803, subdivision 1a; and 473.806.

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	Frerichs	Krueger	Orenstein	Segal
Anderson, G.	Girard	Lasley	Osthoff	Simoneau
Anderson, R.	Greenfield	Lieder	Ostrom	Skoglund
Battaglia	Gruenes	Limmer	Otis	Solberg
Bauerly	Gutknecht	Long	Ozment	Sparby
Beard	Hartle	Lynch	Pappas	Stanius
Begich	Hasskamp	Macklin	Pauly	Steenisma
Bennett	Haukoos	Marsh	Pellow	Sviggum
Bertram	Heap	McDonald	Pelowski	Swenson
Bishop	Henry	McEachern	Peterson	Tjornhom
Blatz	Himle	McGuire	Poppenhagen	Tompkins
Boo	Hugoson	McLaughlin	Price	Trimble
Brown	Jacobs	McPherson	Pugh	Tunheim
Burger	Janezich	Milbert	Quinn	Uphus
Carlson, D.	Jaros	Miller	Redalen	Valento
Carlson, L.	Jefferson	Morrison	Reding	Vellenga
Carruthers	Jennings	Munger	Rest	Wagenius
Clark	Johnson, A.	Murphy	Rice	Waltman
Conway	Johnson, R.	Nelson, C.	Richter	Weaver
Cooper	Johnson, V.	Nelson, K.	Rodosovich	Welle
Dauner	Kahn	O'Connor	Rukavina	Williams
Dawkins	Kalis	Ogren	Runbeck	Winter
Dempsey	Kelly	Olsen, S.	Sarna	Wynia
Dille	Kelso	Olson, E.	Schafer	Spk. Vanasek
Dorn	Kinkel	Olson, K.	Scheid	
Forsythe	Knickerbocker	Omann	Schreiber	
Frederick	Kostohryz	Onnen	Seaberg	

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

The following Conference Committee Report was received:

CONFERENCE COMMITTEE REPORT ON H. F. NO. 1764

A bill for an act relating to transportation; changing distribution of highway user taxes; authorizing use of state park road account to improve and maintain city streets and town roads that provide immediate access to state parks and campgrounds; increasing motor vehicle license tax on older vehicles; appropriating money; amending Minnesota Statutes 1988, sections 161.081; 161.082, subdivision 2a; 162.06, subdivision 5; 162.081, subdivision 1; 168.013, subdivision 1a; and 297B.09, subdivision 1.

May 18, 1989

The Honorable Robert E. Vanasek
Speaker of the House of Representatives

The Honorable Jerome M. Hughes
President of the Senate

We, the undersigned conferees for H. F. No. 1764, 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. 1764 be further amended as follows:

Page 5, line 16, strike "20" and insert "40"

Page 5, line 17, strike "15" and insert "30"

Pages 5 and 6, delete section 6 and insert:

"Sec. 6. Minnesota Statutes 1988, section 297B.09, subdivision 1, is amended to read:

Subdivision 1. [GENERAL FUND SHARE.] (a) Money collected and received under this chapter must be deposited in the state treasury and credited to the general fund. The amounts collected and received shall be credited as provided in this subdivision, and transferred from the general fund on July 15 and January 15 of each fiscal year. The commissioner of finance must make each transfer based upon the actual receipts of the preceding six calendar months and include the interest earned during that six-month period. The commissioner of finance may establish a quarterly or other schedule providing for more frequent payments to the transit assistance fund if the commissioner determines it is necessary or desirable to provide for the cash flow needs of the recipients of money from the transit assistance fund.

(b) Thirty percent of the money collected and received under this chapter after June 30, 1988, and before July 1, 1991, must be

deposited in transferred to the highway user tax distribution fund and the transit assistance fund for apportionment as follows: 75 percent must be credited transferred to the highway user tax distribution fund for apportionment in the same manner and for the same purposes as other money in that fund, and the remaining 25 percent of the money must be credited transferred to the transit assistance fund to be appropriated to the commissioner of transportation for transit assistance within the state and to the regional transit board.

(c) Thirty Five percent of the money collected and received under this chapter after June 30, 1989 and before July 1, 1991, must be transferred as follows: 75 percent must be transferred to the trunk highway fund and 25 percent must be transferred to the transit assistance fund.

(d) Thirty-five percent of the money collected and received under this chapter after June 30, 1991, must be deposited in the trunk highway fund and the transit assistance fund for apportionment transferred as follows: 75 percent must be credited transferred to the trunk highway fund and the remaining 25 percent must be credited transferred to the transit assistance fund.

(d) (e) The distributions under this subdivision to the highway user tax distribution fund until June 30, 1991, and to the trunk highway fund thereafter, must be reduced by the amount necessary to fund the appropriation under section 41A.09, subdivision 1. For the fiscal years ending June 30, 1988, and June 30, 1989, the commissioner of finance, before making the transfers required on July 15 and January 15 of each year, shall estimate the amount required to fund the appropriation under section 41A.09, subdivision 1, for the six-month period for which the transfer is being made. The commissioner shall then reduce the amount transferred to the highway user tax distribution fund by the amount of that estimate. The commissioner shall reduce the estimate for any six-month period by the amount by which the estimate for the previous six-month period exceeded the amount needed to fund the appropriation under section 41A.09, subdivision 1, for that previous six-month period. If at any time during a six-month period in those fiscal years the amount of reduction in the transfer to the highway user tax distribution fund is insufficient to fund the appropriation under section 41A.09, subdivision 1 for that period, the commissioner shall transfer to the general fund from the highway user tax distribution fund an additional amount sufficient to fund the appropriation for that period, but the additional amount so transferred to the general fund in a six-month period may not exceed the amount transferred to the highway user tax distribution fund for that six-month period."

Page 8, line 4, delete	<u>“\$5,700,000”</u>	<u>\$18,400,000”</u>
and insert	<u>“\$5,800,000”</u>	<u>\$17,600,000”</u>

Page 8, line 7, after “fund” insert “and is for highway develop-
ment”

Page 8, after line 7, insert:

<u>“(b) Trunk highways</u>	<u>\$1,000,000</u>	<u>\$3,100,000</u>
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This appropriation is from the trunk highway fund and is for program delivery.”

Page 8, line 8, delete “(b)” and insert “(c)”

and delete	<u>“\$2,950,000”</u>	<u>\$9,400,000”</u>
and insert	<u>“\$11,500,000”</u>	<u>\$18,100,000”</u>

Page 8, line 13, delete “(c)” and insert “(d)”

and delete	<u>“\$850,000”</u>	<u>\$2,700,000”</u>
and insert	<u>“\$900,000”</u>	<u>\$2,900,000”</u>

Page 8, line 19, delete “5” and insert “4, 6,”

Page 8, line 20, delete “November 15, 1989” and insert “January 1, 1990”

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

House Conferees: HENRY J. KALIS, HAROLD LASLEY, ELTON R. RE-DALEN, CHUCK BROWN AND ANDY STEENSMA.

Senate Conferees: KEITH LANGSETH, MARILYN M. LANTRY, JAMES P. METZEN AND GARY M. DeCRAMER.

Kalis moved that the report of the Conference Committee on H. F. No. 1764 be adopted and that the bill be repassed as amended by the Conference Committee.

Seaberg moved that the House refuse to adopt the Conference Committee report on H. F. No. 1764, and that the bill be returned to the Conference Committee.

A roll call was requested and properly seconded.

The question was taken on the Seaberg motion and the roll was called. There were 58 yeas and 66 nays as follows:

Those who voted in the affirmative were:

Abrams	Gutknecht	Lynch	Orenstein	Seaberg
Beard	Hartle	Macklin	Ozment	Stanius
Bennett	Haukoos	Marsh	Pauly	Sviggum
Bishop	Heap	McDonald	Pellow	Swenson
Blatz	Henry	McEachern	Poppenhagen	Tjornhom
Boo	Himle	McPherson	Quinn	Tompkins
Burger	Hugoson	Milbert	Richter	Valento
Dempsey	Jacobs	Miller	Runbeck	Waltman
Forsythe	Johnson, V.	O'Connor	Sarna	Weaver
Frerichs	Kelso	Olsen, S.	Schafer	Williams
Girard	Knickerbocker	Omann	Scheid	
Gruenes	Limmer	Onnen	Schreiber	

Those who voted in the negative were:

Anderson, G.	Dawkins	Kelly	Ostrom	Simoneau
Anderson, R.	Dille	Kinkel	Otis	Skoglund
Battaglia	Dorn	Kostohryz	Pappas	Solberg
Bauerly	Frederick	Krueger	Pelowski	Sparby
Begich	Greenfield	Lasley	Peterson	Steenasma
Bertram	Hasskamp	Lieder	Price	Trimble
Brown	Janezich	Long	Redalen	Tunheim
Carlson, L.	Jaros	McGuire	Reding	Uphus
Carruthers	Jennings	McLaughlin	Rest	Vellenga
Clark	Johnson, A.	Munger	Rice	Wagenius
Conway	Johnson, R.	Nelson, C.	Rodosovich	Welle
Cooper	Kahn	Ogren	Rukavina	Winter
Dauner	Kalis	Olson, E.	Segal	Wynia
				Spk. Vanasek

The motion did not prevail.

The question recurred on the Kalis motion that the report of the Conference Committee on H. F. No. 1764 be adopted and that the bill be repassed as amended by the Conference Committee. The motion prevailed.

H. F. No. 1764, A bill for an act relating to transportation; changing distribution of highway user taxes; authorizing use of state park road account to improve and maintain city streets and town roads that provide immediate access to state parks and campgrounds; increasing motor vehicle license tax on older vehicles; appropriating money; amending Minnesota Statutes 1988, sections

161.081; 161.082, subdivision 2a; 162.06, subdivision 5; 162.081, subdivision 1; 168.013, subdivision 1a; and 297B.09, subdivision 1.

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

The question was taken on the repassage of the bill and the roll was called. There were 69 yeas and 60 nays as follows:

Those who voted in the affirmative were:

Anderson, G.	Dorn	Krueger	Olson, E.	Simoneau
Anderson, R.	Frederick	Lasley	Omamm	Solberg
Battaglia	Greenfield	Lieder	Ostrom	Sparby
Bauerly	Gruenes	Long	Otis	Steensma
Bertram	Haskamp	Marsh	Pappas	Trimble
Brown	Janezich	McEachern	Pelowski	Tunheim
Carlson, D.	Jaros	McGuire	Peterson	Uphus
Carlson, L.	Jennings	McLaughlin	Price	Vellenga
Clark	Johnson, A.	Munger	Redalen	Welle
Conway	Johnson, R.	Murphy	Reding	Williams
Cooper	Kahn	Nelson, C.	Rest	Winter
Dauner	Kalis	Nelson, K.	Rice	Wynia
Dawkins	Kelso	O'Connor	Rodosovich	Spk. Vanasek
Dille	Kinkel	Ogren	Segal	

Those who voted in the negative were:

Abrams	Girard	Limmer	Ozment	Schreiber
Beard	Gutknecht	Lynch	Pauly	Seaberg
Begich	Hartle	Macklin	Pellow	Skoglund
Bennett	Haukoos	McDonald	Poppenhagen	Stanius
Bishop	Heap	McPherson	Pugh	Swiggum
Blatz	Henry	Milbert	Quinn	Swenson
Boo	Himle	Miller	Richter	Tjornhom
Burger	Hugoson	Morrison	Rukavina	Tompkins
Carruthers	Jacobs	Olsen, S.	Runbeck	Valento
Dempsey	Jefferson	Olson, K.	Sarna	Wagenius
Forsythe	Johnson, V.	Onnen	Schafer	Waltman
Ferichs	Knickerbocker	Orenstein	Scheid	Weaver

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

The Speaker called Rest to the Chair.

SPECIAL ORDERS, Continued

S. F. No. 738 was reported to the House.

Tunheim moved to amend S. F. No. 738, as follows:

Page 4, after line 23, insert:

"Sec. 3. Minnesota Statutes 1988, section 219.071, subdivision 2, is amended to read:

Subd. 2. [PAYMENT OF COSTS.] If a grade-crossing surface, as defined in section 219.16, needs improvement, repair or maintenance, the cost for the improvement, repair or maintenance may be paid jointly by the owner or lessee of the track, the road authority having jurisdiction over the public highway involved and funds available to the department for grade-crossing surfaces from the following sources:

- (1) money appropriated to the department in the future for the purposes of this section;
- (2) available federal funds allocated for the grade-crossing program established by this section; and
- (3) money acquired by the department by gift, grant, or contribution from any source for purposes of this section.

Sec. 4. Minnesota Statutes 1988, section 219.072, is amended to read:

219.072 [ESTABLISHMENT OF NEW GRADE CROSSINGS.]

The establishment of all new grade crossings must be approved by the commissioner. When establishment of a new grade crossing is desired, either by the public officials having the necessary authority or by the railroad company, and the public officials and the railroad company cannot agree as to need, location, or type of warning devices required, either party may file a petition with the commissioner setting forth the facts and submitting the matter for determination. The commissioner, after notice as the commissioner deems reasonable, shall conduct a hearing and issue an order determining the matters submitted. If the commissioner approves the establishment of a new grade crossing, the commissioner may in the same order direct that the costs, including the costs of the type of warning devices required, be divided between the railroad company and the public authority involved as the parties may agree, or, if they fail to agree, then as determined by the commissioner on the basis of benefit to the users of each. However, the commissioner may defer determination of the division of costs to a subsequent order to be made on the basis of evidence previously taken.

Sec. 5. [219.265] [MAINTENANCE COSTS.]

A railroad company that incurs expenses for the maintenance of signals or other safety devices used at grade crossings may annually file a claim for reimbursement with the commissioner. The commissioner shall reimburse claimants for up to 50 percent of the costs, as

determined by the commissioner, from funds made available for this purpose. The commissioner shall designate by rule the expenses that may be reimbursed under this section.

Sec. 6. Minnesota Statutes 1988, section 222.49, is amended to read:

222.49 [RAIL SERVICE IMPROVEMENT ACCOUNT.]

The rail service improvement account is created in the special revenue fund in the state treasury. The commissioner shall deposit in this account all money appropriated to or received by the department for the purpose of rail service improvement, including bond proceeds as authorized by Article XI, Section 5, Clause (i) of the Minnesota Constitution and federal money, but excluding proceeds of state bonds or other funds appropriated to the commissioner from the state transportation fund for the acquisition or betterment of property pertaining to the state rail bank established by section 222.63, and excluding income of the state rail bank and any other funds appropriated for its maintenance or improvement. All money so deposited is appropriated to the department for expenditure for rail service improvement in accordance with applicable state and federal law. This appropriation shall not lapse but shall be available until the purpose for which it was appropriated has been accomplished. No money appropriated to the department for the purposes of administering the rail service improvement program shall be deposited in the rail service improvement account nor shall such administrative costs be paid from the account.

Sec. 7. Minnesota Statutes 1988, section 222.50, subdivision 4, is amended to read:

Subd. 4. The commissioner may negotiate and enter into contracts for the purpose of rail line rehabilitation and for the purpose of assisting in the payment of up to 50 percent of the nonfederal share of a rehabilitation project under service improvement and may incorporate funds available from the federal rail service continuation program. The participants in these contracts shall be railroads, rail users and the department, and may be political subdivisions of the state and the federal government. In such contracts, participation by all parties shall be voluntary. The commissioner may provide a portion of the money required to carry out the terms of any such contract by expenditure from the rail service improvement account.

Sec. 8. Minnesota Statutes 1988, section 222.50, subdivision 5, is amended to read:

Subd. 5. In making any contract pursuant to subdivision 4 the commissioner may:

(a) Stipulate minimum operating standards for rail lines designed to achieve reasonable transportation service for shippers and to achieve best use of funds invested in rail line rehabilitation;

(b) Require a portion of the total assistance for improving a rail line to be loaned to the railroad by rail users and require the railroad to reimburse rail users for any loan on the basis of use of the line and the revenues produced when the line has been improved; and

(c) Determine the terms and conditions under which all or any portion of state funds allocated shall be repaid to the department by the railroads. Reimbursement may be made as a portion of the increased revenue derived from the improved rail line. Any reimbursement received by the department pursuant to this clause shall be deposited in the rail service improvement account and shall be appropriated exclusively for rehabilitating other rail lines in the state pursuant to subdivision 4; and.

(d) Require, in lieu of reimbursement as provided in clause (c) of this subdivision, that the railroad establish and maintain a separate railroad fund to be used exclusively for rehabilitation of other rail lines in Minnesota, to which a portion of the increase in revenue derived from the improved rail line shall be credited. The terms and conditions for use of money in the fund shall be stipulated in the contract. The contract shall also stipulate a penalty for use of such money in a manner other than as set forth in the contract and require the railroad to report to the department at such times as the commissioner requires, concerning the disbursement of money from the fund and the general status of rail line improvements.

Sec. 9. Minnesota Statutes 1988, section 222.50, subdivision 7, is amended to read:

Subd. 7. The commissioner may expend money from the rail service improvement account for the following purposes:

(a) To pay interest adjustments on loans guaranteed under the state rail user loan guarantee program;

(b) To pay a portion of the costs of capital improvement projects designed to improve rail service including construction or improvement of short segments of rail line such as side track, team track and connections between existing lines, and construction and improvement of loading, unloading, storage and transfer facilities of a rail user;

(c) To acquire, maintain, manage and dispose of railroad right-of-way pursuant to ~~subdivision 8~~ and the state rail bank program;

(d) To provide for aerial photography survey of proposed and

abandoned railroad tracks for the purpose of recording and reestablishing by analytical triangulation the existing alignment of the in-place track; or

(e) To pay a portion of the costs of acquiring a rail line by a regional railroad authority established pursuant to chapter 398A.

All money derived by the commissioner from the disposition of railroad right-of-way or of any other property acquired pursuant to sections 222.46 to 222.62 shall be deposited in the rail service improvement account.

Sec. 10. Minnesota Statutes 1988, section 222.63, subdivision 8, is amended to read:

Subd. 8. [RAIL BANK MAINTENANCE AND IMPROVEMENT ACCOUNTS.] A special ~~accounts~~ account shall be maintained in the state treasury, designated as the rail bank maintenance account ~~and the rail bank improvement account~~, to record the receipts and expenditures of the commissioner of transportation for the maintenance ~~and for the acquisition and betterment~~ of rail bank property. ~~Expenditures of proceeds of state transportation bonds and any other amounts appropriated to the commissioner from the state transportation fund shall be recorded in the improvement account.~~ Funds received by the commissioner of transportation from rentals, fees, or charges for the use of rail bank property shall be credited to the maintenance account and used for the maintenance of that property and held as a reserve for maintenance expenses in an amount determined by the commissioner, and amounts received in the maintenance account in excess of the reserve requirements shall be transferred to the rail service improvement account. All proceeds of the sale of abandoned rail lines shall be deposited in the rail service improvement account. ~~The improvement account shall be used only for the acquisition and betterment of abandoned rail lines and right-of-way.~~ All money to be deposited in ~~these accounts~~ this rail service improvement account as provided in this subdivision is appropriated to the commissioner of transportation for the purposes of this section. The appropriations shall not lapse but shall be available until the purposes for which the funds are appropriated are accomplished.

Sec. 11. Minnesota Statutes 1988, section 398A.02, is amended to read:

398A.02 [PURPOSE.]

The purpose of the regional railroad authorities act is to provide a means whereby one or more municipalities, with state and federal aids as may be available, may provide for the preservation and improvement of local rail service for agriculture, industry, or passenger traffic and provide for the preservation of abandoned rail

right-of-way for future transportation uses, when determined to be practicable and necessary for the public welfare, particularly in the case of abandonment of local rail lines.

Sec. 12. [REPEALER.]

Minnesota Statutes 1988, section 222.50, subdivision 8, is repealed."

Correct internal references

Amend the title accordingly

The motion prevailed and the amendment was adopted.

S. F. No. 738, A bill for an act relating to traffic regulations; providing for special permits for vehicles transporting pole-length pulpwood; setting a fee; amending Minnesota Statutes 1988, section 169.86, subdivision 5; proposing coding for new law in Minnesota Statutes, chapter 169.

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

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

Those who voted in the affirmative were:

Abrams	Frederick	Knickerbocker	Omann	Scheid
Anderson, G.	Frerichs	Kostohryz	Onnen	Schreiber
Anderson, R.	Girard	Krueger	Orenstein	Seaberg
Battaglia	Greenfield	Lasley	Osthoff	Segal
Bauerly	Gruenes	Lieder	Ostrom	Simoneau
Beard	Gutknecht	Limmer	Otis	Skoglund
Begich	Hartle	Long	Ozment	Solberg
Bennett	Hasskamp	Lynch	Pappas	Sparby
Bertram	Haukoos	Macklin	Pauly	Stanius
Bishop	Heap	Marsh	Pellow	Steensma
Blatz	Henry	McDonald	Pelowski	Sviggun
Boo	Himle	McEachern	Peterson	Swenson
Brown	Hugoson	McGuire	Poppenhagen	Tjornhom
Burger	Jacobs	McLaughlin	Price	Tompkins
Carlson, D.	Janezich	McPherson	Pugh	Trimble
Carlson, L.	Jaros	Milbert	Quinn	Tunheim
Carruthers	Jefferson	Miller	Redalen	Uphus
Clark	Jennings	Morrison	Reding	Valento
Conway	Johnson, A.	Murphy	Rest	Vellenga
Cooper	Johnson, R.	Nelson, C.	Rice	Wagenius
Dauner	Johnson, V.	Nelson, K.	Richter	Waltman
Dawkins	Kahn	O'Connor	Rodosovich	Weaver
Dempsey	Kalis	Ogren	Rukavina	Welle
Dille	Kelly	Olsen, S.	Runbeck	Williams
Dorn	Kelso	Olson, E.	Sarna	Winter
Forsythe	Kinkel	Olson, K.	Schafer	Wynia
				Spk. Vanasek

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

H. F. No. 1163, A bill for an act relating to resource development; requiring a research study on the effect of aspen thinning; appropriating money.

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

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

Those who voted in the affirmative were:

Abrams	Frederick	Knickerbocker	Omann	Scheid
Anderson, G.	Frerichs	Kostohryz	Onnen	Schreiber
Anderson, R.	Girard	Krueger	Orenstein	Seaberg
Battaglia	Greenfield	Lasley	Osthoff	Segal
Bauerly	Gruenes	Lieder	Ostrom	Simoneau
Beard	Gutknecht	Limmer	Otis	Skoglund
Begich	Hartle	Long	Ozment	Solberg
Bennett	Hasskamp	Lynch	Pappas	Sparby
Bertram	Haukoos	Macklin	Pauly	Stanius
Bishop	Heap	Marsh	Pellow	Steensma
Blatz	Henry	McDonald	Pelowski	Sviggum
Boo	Himle	McEachern	Peterson	Swenson
Brown	Hugoson	McGuire	Poppenhagen	Tjornhom
Burger	Jacobs	McLaughlin	Price	Tompkins
Carlson, D.	Janezich	McPherson	Pugh	Trimble
Carlson, L.	Jaros	Milbert	Quinn	Tunheim
Carruthers	Jefferson	Miller	Redalen	Uphus
Clark	Jennings	Morrison	Reding	Valento
Conway	Johnson, A.	Munger	Rest	Vellenga
Cooper	Johnson, R.	Murphy	Rice	Wagenius
Dauner	Johnson, V.	Nelson, C.	Richter	Waltman
Dawkins	Kahn	O'Connor	Rodosovich	Weaver
Dempsey	Kalis	Ogren	Rukavina	Welle
Dille	Kelly	Olsen, S.	Runbeck	Williams
Dorn	Kelso	Olson, E.	Sarna	Winter
Forsythe	Kinkel	Olson, K.	Schafer	Wynia
				Spk. Vanasek

The bill was passed and its title agreed to.

S. F. No. 536 was reported to the House.

Milbert moved to amend S. F. No. 536, as follows:

Page 2, line 20, before the period insert "if one or more of the factors in paragraph (b) are present"

The motion prevailed and the amendment was adopted.

S. F. No. 536, A bill for an act relating to consumer protection; providing for enhanced civil penalties for deceptive acts targeted at senior citizens or handicapped persons; providing factors a court may consider in determining to impose an enhanced civil penalty; providing that sums collected must be credited to the account of the state board on aging; amending Minnesota Statutes 1988, section 256.975, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapter 325F.

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

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

Those who voted in the affirmative were:

Abrams	Frederick	Kostohryz	Osthoff	Segal
Anderson, G.	Frerichs	Krueger	Ostrom	Simoneau
Anderson, R.	Girard	Lasley	Otis	Skoglund
Battaglia	Greenfield	Lieder	Ozment	Solberg
Bauerly	Gruenes	Limmer	Pappas	Sparby
Beard	Gutknecht	Long	Pauly	Stanius
Begich	Hartle	Lynch	Pellow	Steenasma
Bennett	Hasskamp	Macklin	Pelowski	Swiggum
Bertram	Haukoos	Marsh	Peterson	Swenson
Bishop	Heap	McDonald	Poppenhagen	Tjornhom
Blatz	Henry	McEachern	Price	Tompkins
Boo	Himle	McGuire	Pugh	Trimble
Brown	Hugoson	McLaughlin	Quinn	Tunheim
Burger	Jacobs	McPherson	Redalen	Uphus
Carlson, D.	Janezich	Milbert	Reding	Valento
Carlson, L.	Jaros	Miller	Rest	Vellenga
Carruthers	Jefferson	Morrison	Rice	Wagenius
Clark	Johnson, A.	Munger	Richter	Waltman
Conway	Johnson, R.	Murphy	Rodosovich	Weaver
Cooper	Johnson, V.	Nelson, C.	Rukavina	Welle
Dauner	Kahn	O'Connor	Rumbeck	Williams
Dawkins	Kalis	Ogren	Sarna	Winter
Dempsey	Kelly	Olsen, S.	Schafer	Wynia
Dille	Kelso	Omann	Scheid	Spk. Vanasek
Dorn	Kinkel	Onnen	Schreiber	
Forsythe	Knickerbocker	Orenstein	Seaberg	

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

H. F. No. 1443 was reported to the House.

Jefferson moved to amend H. F. No. 1443, the second engrossment, as follows:

Page 10, line 33, delete "6" and insert "5, clause (4) or this subdivision"

Page 10, line 35, delete "6" and insert "5, clause (4) or this subdivision"

Page 14, line 24, strike "MINORITY"

Page 18, line 13, reinstate ". For purposes of this section,"

Page 18, line 14, reinstate "economically disadvantaged"

Page 18, line 24, delete "as" and insert "small business has the meaning"

Page 19, line 11, strike "at"

Page 19, line 12, strike "least" and "percent" and delete "15" and insert "a portion"

Page 19, line 13, strike "a" and insert "an economically disadvantaged"

Page 21, line 34, after the period insert "For the purpose of certifying economically disadvantaged small businesses, the commissioner of administration may use, without further rulemaking, Minnesota Rules, Parts 1230.1400, 1230.1500, subparts 1, 2, 4-11, 1230.1600, 1230.1700, 1230.1900, subparts 1 to 5. The phrase "socially or economically disadvantaged" in those rules must be read to mean "economically disadvantaged" as defined in section 645.445, subdivision 5. The phrase "set-aside program" in those rules must be read to mean the preference programs created in this act."

Page 22, line 4, delete "21" and insert "22"

Amend the title as follows:

Page 1, line 10, delete "by adding a subdivision" and insert "subdivision 5"

Page 1, line 12, after "sections" insert "137.31, subdivision 3;"

Page 1, lines 12 and 13, delete "645.445, subdivision 5;"

The motion prevailed and the amendment was adopted.

H. F. No. 1443, A bill for an act relating to government operations; regulating purchasing from small businesses; appropriating money; amending Minnesota Statutes 1988, sections 16B.189; 16B.19; 16B.20, subdivision 2; 16B.21; 16B.22; 116J.68, subdivision 1; 136.27; 136.72; 137.31, subdivisions 4, 6, and by adding a subdivi-

sion; 161.321, subdivisions 2, 3, and 6; 161.3211; 241.27, subdivision 2; 471.345, subdivision 8; 473.142; 645.445, subdivision 5; proposing coding in Minnesota Statutes, chapter 16B; repealing Minnesota Statutes 1988, sections 137.31, subdivision 3; 473.406; and Laws 1984, chapter 654, article 2, section 49.

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 118 yeas and 13 nays as follows:

Those who voted in the affirmative were:

Abrams	Dorn	Kostohryz	Onnen	Segal
Anderson, G.	Forsythe	Krueger	Orenstein	Simoneau
Anderson, R.	Frederick	Lasley	Otis	Skoglund
Battaglia	Girard	Lieder	Ozment	Solberg
Bauerly	Greenfield	Limmer	Pappas	Stanius
Beard	Gruenes	Long	Pauly	Steenma
Begich	Gutknecht	Lynch	Pellow	Swenson
Bennett	Hartle	Macklin	Pelowski	Tjornhom
Bertram	Hasskamp	Marsh	Peterson	Tompkins
Bishop	Henry	McEachern	Price	Trimble
Blatz	Himle	McGuire	Pugh	Tunheim
Boo	Jacobs	McLaughlin	Quinn	Uphus
Brown	Janezich	Milbert	Redalen	Valento
Burger	Jaros	Morrison	Reding	Vellenga
Carlson, D.	Jefferson	Munger	Rest	Wagenius
Carlson, L.	Johnson, A.	Murphy	Rice	Waltman
Carruthers	Johnson, R.	Nelson, C.	Rodosovich	Weaver
Clark	Johnson, V.	Nelson, K.	Rukavina	Welle
Conway	Kahn	O'Connor	Runbeck	Williams
Cooper	Kalis	Ogren	Sarna	Winter
Dauner	Kelly	Olsen, S.	Schafer	Wynia
Dawkins	Kelso	Olson, E.	Scheid	Spk. Vanasek
Dempsey	Kinkel	Olson, K.	Schreiber	
Dille	Knickerbocker	Omann	Seaberg	

Those who voted in the negative were:

Frerichs	Hugoson	McPherson	Poppenhagen	Svigum
Haukoos	Jennings	Miller	Richter	
Heap	McDonald	Ostrom	Sparby	

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

Anderson, R., was excused while in conference.

S. F. No. 491 was reported to the House.

SUSPENSION OF RULES

Pursuant to Article IV, Section 19, of the Constitution of the state

of Minnesota, Ogren moved that the rule therein be suspended and an urgency be declared so that S. F. No. 491 be given its third reading and be placed upon its final passage. The motion prevailed.

Ogren moved that the Rules of the House be so far suspended that S. F. No. 491 be given its third reading and be placed upon its final passage. The motion prevailed.

Ogren moved to amend S. F. No. 491, as follows:

Delete everything after the enacting clause and insert:

"ARTICLE 1

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

The legislature finds that substantial numbers of Minnesotans have no health care coverage and that most of these residents are wage earners or their dependents. One-third of these individuals are children.

The legislature further finds that when these individuals enter the health care system they have often foregone preventive care and are in need of more expensive treatment that often exceeds their financial resources. Much of the cost for these uncompensated services to the uninsured are already in the health care system in the form of increased insurance and provider rates and property and income taxes.

The legislature further finds that these costs, spread among the already insured, represent a woefully inefficient method for providing basic preventive and acute care for the uninsured and represent an added cost to employers now providing health insurance to their employees.

The legislature further finds that it is essential for the state to initiate and participate in a program of last resort to ensure basic and affordable health care to all Minnesotans while addressing the economic pressures on the health care system as a whole in Minnesota.

Sec. 2. [62J.02] [HEALTH CARE ACCESS COMMISSION.]

Subdivision 1. [MEMBERSHIP; COMPENSATION; CHAIR.] The Minnesota health care access commission consists of seven members. Three members are appointed by the governor, one of whom must be an experienced health care professional, one of whom must be a representative of small business, and one of whom must be a

representative of consumers. Beginning on February 2, 1990, the two members appointed under the rules of the senate and the two members appointed under the rules of the house shall become ex officio, nonvoting members. The commissioners of health, human services, employee relations, and commerce, or their designated representatives are also members. The governor shall appoint the chair of the commission after considering the commission's recommendation.

In addition, two ex officio, nonvoting members shall be appointed under the rules of the senate and two ex officio, nonvoting members shall be appointed under the rules of the house.

The terms, compensation, and removal of the members appointed by the governor are as provided in section 15.0575.

Subd. 2. [STAFF.] The commission shall select a director to serve at its pleasure as the chief administrative officer of the commission. The director may hire advisors, consultants, and employees, as authorized by the commission, and prescribe their duties. Employees are not state employees, but are covered by section 3.736. At the option of the commission, the employees may participate in the following plans for employees in the unclassified service: the state retirement plan, the state deferred compensation plan, and the health insurance and life insurance plans.

Subd. 3. [INITIAL DUTIES.] The health care access commission shall:

(1) develop a system to estimate the total number of uninsured Minnesotans by age, sex, employment status, income level, geography, and other relevant characteristics;

(2) explore all potential insurance options including size and makeup of risk groups;

(3) prepare a legal analysis of restrictions and other potential legal issues of the Employee Retirement Income Security Act, United States Code, title 29, sections 1001 to 1461;

(4) study and make recommendations on insurance and health care law changes including a review of all state imposed mandates on health care coverage that will improve access to health care;

(5) study and make recommendations on incentives and disincentives to ensure that employers continue to provide health insurance coverage;

(6) identify cost savings to public programs that will result from implementation of the health care access program;

(7) develop a cost containment policy after reviewing cost containment methods such as hospital admission precertification, concurrent review of hospital stays, discharge planning, hospital bill audit prior to discharge, primary gatekeepers, claims data analysis, a drug formulary, pharmacy data analysis, bulk discounts, emergency room use, outpatient surgery oversight, protocols for preventive care and common acute care, practice data compared to peers, practitioner rewards and penalties, and other cost containment methods;

(8) develop a financial plan for implementing the health care access program, including an actuarial analysis; a sliding fee scale analysis; reserve fund requirements; revenue projections from a payroll tax or other funding sources in an amount sufficient to generate one-half of the total costs of the health care access program, but not more than \$150,000,000 per year; and recommendations;

(9) develop a system to administer the health care access program;

(10) define the number, functions, and duties of administrative staff;

(11) study alternatives for financing the state share of the cost of the premiums, including, but not limited to, a payroll tax that is imposed primarily on employers who do not provide health coverage to their employees; and

(12) develop a system for collection of premium payments.

This subdivision is repealed February 1, 1990.

Subd. 4. [REPORT.] The commission shall report to the legislature by February 1, 1990, with the results of its study and its specific recommendations pursuant to subdivision 3.

This subdivision is repealed February 1, 1990.

Subd. 5. [GENERAL DUTIES.] The commission shall:

(1) implement and administer the health care access program created in sections 1 to 11, including its coordination with other government-subsidized programs;

(2) administer the health care access account created in section 11;

(3) subject to chapter 14, adopt, amend, and repeal rules, including emergency rules, necessary to implement and administer sections 1 to 11;

(4) conduct necessary investigations and inquiries and compel the submission of information, documents, and records it considers necessary to carry out its duties;

(5) report annually to the legislature and the governor on its activities and on recommended insurance and health care law changes to improve access to health care for residents of this state;

(6) employ and supervise staff;

(7) make every effort to ensure representation in service delivery by eligible practitioners, without regard to race, color, or sex; and

(8) conduct other activities it considers necessary to carry out the intent of the legislature as expressed in sections 1 to 11.

The commission shall be treated as an executive branch agency for purposes of sections 16A.095, 16A.10, 16A.11, 16A.123, 16A.14, and 16A.15.

Sec. 3. [62J.03] [CONTRACTING AUTHORITY.]

Subdivision 1. [GENERAL.] The commission may request bids from, and negotiate and contract with, carriers the commission determines are best qualified to underwrite and service health care plans that meet the requirements of section 4. The commission may also contract directly with health care providers. The commission may establish any conversion and continuation privileges for those plans it considers appropriate. The commission may negotiate premium rates and coverage provisions with all carriers regulated under chapters 62A, 62C, and 62D. The commission may negotiate separate contracts to cover eligible persons who are in need of, and receive, immediate medical treatment but who have not as yet selected a health care plan. The commission shall also negotiate reasonable cost containment measures to be applied to all carriers under chapters 62A, 62C, and 62D. Contracts to manage enrollment and plan selection must be bid or negotiated separately from contracts to service the plans, which shall be awarded only on the basis of competitive bids. The commission shall consider the cost of the plans, conversion options relating to the contracts, service capabilities, financial position, and reputation of the carriers and other factors the commission considers appropriate including, but not limited to, plan utilization review provisions, case management provisions, and preauthorization requirements. Each contract must be for a uniform term of at least one year but may be made automatically renewable from term to term in the absence of notice of termination by either party. The commission shall, to the extent feasible, offer a choice of plans available from two or more carriers regulated under chapters 62A, 62C, and 62D. The commission may offer only one plan in an area of the state if only one acceptable bid exists or if offering more than one would result in substantial,

additional administrative costs. Payments from the commission to a carrier are exempt from the tax imposed by section 60A.15 and are not included in the carrier's premiums for the purposes of assessments under 62E.11.

Subd. 2. [COMMUNITY CLINICS.] The commission, or an entity selected by the commission to administer health care plans on its behalf, shall to the extent appropriate contract with community clinics.

For purposes of this subdivision, "community clinics" means an entity that:

(1) through its staff and supporting resources or through its contracts or cooperative arrangements with other public or private entities, provides primary health services for all intended residents of its service area;

(2) was established to serve the primary health needs of low-income population groups;

(3) uses a sliding fee scale based on ability to pay, and does not limit access or care because of the financial limitations of the client;

(4) has nonprofit status under chapter 317; and

(5) has a governing board, for which at least 51 percent of the membership resides in and represents the local community served by the clinic.

Subd. 3. [CONTRACT TO CONTAIN STATEMENT OF BENEFITS.] A contract under this section must contain a detailed statement of benefits offered and must include any maximums, limitations, exclusions, and other provisions the commission considers necessary or desirable.

A contract providing only the coverage specified in section 4, subdivision 2, shall not contain a provision denying coverage for any preexisting conditions.

Subd. 4. [ACTUARIAL DATA.] The commission shall estimate, on an actuarially sound basis, the expected cost of providing coverage under the health care access program, recognizing variations in the cost of providing coverage through various systems and in different areas in the state. The commission shall make this actuarial data available to potential carriers under the health care access program.

Sec. 4. [62J.04] [BENEFITS.]

Subdivision 1. [AVAILABILITY.] The commission shall make available to all residents of this state health care plans meeting the requirements of subdivisions 2 and 3.

Subd. 2. [MINIMUM CORE COVERAGE.] The commission shall make available a health care plan that provides the following benefits:

(a) Covered expenses include only the following services and articles:

(1) inpatient and outpatient hospital services, but coverage for inpatient hospital services shall not exceed 30 days in any calendar year;

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

(3) prenatal and well child care and other preventive health services, including screenings, immunizations, and yearly disease detection;

(4) diagnostic x-rays and laboratory tests;

(5) prostheses, not including eye glasses and hearing aids;

(6) maternity benefits, subject to section 62A.041;

(7) transportation provided by a licensed ambulance service to the nearest facility qualified to treat the condition; and

(8) drugs requiring a physician's prescription, but not to exceed \$500 in any year. This dollar limitation does not apply to maintenance drugs prescribed by a physician for chronic conditions.

The commission may examine and make recommendations to the legislature on alternative gatekeeping mechanisms for access to health care services, different benefit and service packages for the minimum core coverage plan, and alternative dollar limitations for prescription drug costs.

(b) Covered expenses for the services and articles specified in this subdivision do not include the following:

(1) any charge for care for injury or disease either (i) arising out of an injury in the course of employment and subject to a workers' compensation or similar law, (ii) for which benefits are payable without regard to fault under coverage statutorily required to be

contained in any motor vehicle, or other liability insurance policy or equivalent self-insurance, or (iii) for which benefits are payable under another policy of accident and health insurance, Medicare or any other governmental program except as otherwise provided by section 62A.04, subdivision 3, clause (4);

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

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

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

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

(6) any charge for services or articles that are not within the scope of authorized practice of the institution or individual providing the services or articles.

The commission may also consider alternative or additional limits on provider reimbursement and covered services, and make recommendations to the legislature.

(c) The commission shall establish copayment requirements and a dollar limitation per person on the total annual out-of-pocket expenses for covered services. Copayments shall be imposed for prescription drug benefits at a level of \$5 per prescription. Copayments shall be imposed for routine office visits at a level of \$5 per visit. Copayments shall be imposed for ambulance transportation covered under this subdivision at a level of \$25 per use of those services, if there is no admittance to a hospital within 24 hours after the services. Copayments shall be imposed for emergency room services at a level of \$25 per visit if there is no admittance to a hospital within 24 hours after the visit. No copayments shall be imposed on preventive health services covered under paragraph (a), clause (3). The commission may examine the effect of different

copayment levels on access to health care for persons with low incomes, and provide recommendations to the legislature based on this analysis.

(d) Coverage under a minimum core coverage plan is subject to a maximum lifetime benefit of \$50,000 per individual. The commission may also examine and make recommendations to the legislature on alternative maximum lifetime benefits.

(e) Coverage under this subdivision does not include any coverages otherwise required under chapters 62A, 62C, 62D, or 62E unless they are specifically referred to in this subdivision.

Subd. 3. [OPTIONAL COVERAGES.] The commission shall make available a number one qualified plan, a number two qualified plan, a number three qualified plan, and a qualified medicare supplement plan under chapter 62E and other optional coverages provided by carriers selected by the commission. Eligible persons may elect to purchase optional coverages.

Sec. 5. [62J.05] [MANDATORY HEALTH INSURANCE; ENROLLMENT IN HEALTH CARE ACCESS PROGRAM.]

Subdivision 1. [DEFINITIONS.] For purposes of sections 1 to 11, the following terms have the meanings given:

(1) "Dependent child" means a person who is: (1) under 18 years old, or under 22 years old and a student regularly attending school, college, or training; (2) not married; and (3) not the head of a household.

(2) "Enrollee" means an eligible resident who is enrolled in the health care access plan.

(3) "Family" means one or more people who live together and between whom there is a legal duty of support. "Family" includes dependent children, whether or not they live in the household of the parent.

(4) "Income" means income as defined in the federal poverty income guidelines. Income considered available to a dependent child whose parents are not enrollees is determined under chapter 256B.

(5) "Resident" means a person who is currently living in Minnesota and has been living in Minnesota for the six months immediately preceding the date of receipt by the commission or its carrier of a completed application for coverage and who meets the eligibility requirements of subdivision 2.

Subd. 2. [MANDATORY HEALTH INSURANCE.] By January 1,

1992, every resident of the state is required to have coverage under a health care plan that provides benefits at least equivalent to the minimum core coverage in section 4, subdivision 2.

For purposes of this subdivision, health coverage under Medicare; medical assistance; general assistance medical care; a plan of coverage as defined by section 62E.02, subdivision 9, that meets the requirements of a qualified plan under chapter 62E; or the state comprehensive health insurance plan, is considered at least equivalent to the minimum core coverage in section 4, subdivision 2.

Subd. 3. [HEALTH CARE ACCESS PROGRAM.] A Minnesota resident must enroll in the health care access program if the resident:

(1) does not have coverage available under:

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

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

(2) has coverage under a health care plan that does not meet the level of minimum core benefits in section 4, subdivision 2; or

(3) does not have coverage available under an employment-based group insurance program, and for whom all income received is self-employment income; or

(4) has coverage from the comprehensive health insurance plan under chapter 62E.

Sec. 6. [62J.06] [EMPLOYER PARTICIPATION.]

(a) The following employers are eligible to participate in the health care access program:

(1) an employer who does not provide or make available a health care plan to employees; or

(2) an employer who provides or makes available to employees a health care plan, including plans under section 62E.03. However, if the employer chooses to participate in the health care access program, the employer must obtain and provide employees with at least the level of coverage required under section 62E.03.

(b) An employee enrolled in the health care access program

pursuant to this subdivision is not eligible for any premium subsidy under section 8.

Sec. 7. [62J.07] [UNINSURED PERSONS REQUIRED TO PARTICIPATE; RECOVERY OF PAYMENTS BY COMMISSION.]

A resident who has no coverage under a health care plan who seeks medical care from a health care provider is enrolled in the health care access program from the time the person first seeks treatment. The commission may recover from the person the costs of the treatment if the person is financially able to pay for the costs. The commission may also recover the annual premium amount the person would owe for coverage under the health care access program.

Sec. 8. [62J.08] [PREMIUMS.]

Subdivision 1. [GENERALLY.] An enrollee in the health care access program shall pay the first installment of the premium for coverage upon the effective date of the coverage. The premium payment must be deposited in the account in section 11. The enrollee's share of the premium for minimum core coverage under section 4, subdivision 2, is determined by the income-based sliding fee schedule in subdivision 2. The remainder of the premium for this coverage is paid by the health care access account established in section 11. An enrollee who chooses optional coverage under section 4, subdivision 3, must pay the entire premium for the optional coverage and minimum core coverage.

Subd. 2. [SLIDING FEE SCHEDULE FOR PREMIUMS.] An enrollee's share of premium for minimum core coverage is based on the federal poverty income guidelines and the income of the enrollee's family, according to the following table:

<u>Family Income as a Percent of Poverty Income Guidelines</u>	<u>Enrollee's Share of Premium</u>
<u>Under 125 percent</u>	<u>0 percent</u>
<u>126 to 200 percent</u>	<u>15 percent</u>
<u>201 to 250 percent</u>	<u>50 percent</u>
<u>251 to 300 percent</u>	<u>75 percent</u>
<u>301 percent +</u>	<u>100 percent</u>

The commission may also consider and make recommendations to the legislature on alternative sliding fee scales.

Sec. 9. [62J.09] [ENROLLMENT AND PREMIUM PAYMENTS.]

The time, manner, conditions, limitations, and terms of eligibility and payment of premiums for enrollment of eligible residents for coverage under section 6 shall be determined by the commission in rule.

The rules shall: (1) include a procedure for referring persons eligible for coverage under the comprehensive health insurance plan to that plan if the commission considers it appropriate; and

(2) provide for the withholding by employers of premiums payable under section 8 from the wages of employees.

Sec. 10. [62J.10] [PROGRAM INFORMATION AND ENROLLMENT.]

Subdivision 1. [SOLICITATION OF ELIGIBLE PERSONS.] The commission shall disseminate appropriate information to the residents of this state about the existence of the program and the means of enrollment. Means of communication must include use of the press, radio, and television, as well as publication in appropriate state offices and publications.

The commission shall devise and implement methods to maintain public awareness of the provisions of sections 1 to 11 and shall administer sections 1 to 11 in a manner that facilitates public participation.

Subd. 2. [HEALTH INSURANCE INFORMATION; PENALTY.] A resident of the state shall furnish to the health care access commission the information required by the commission to determine the health care coverage of the person and the person's dependents. The commission may require proof of coverage. An employer shall distribute evidence of insurance forms to all employees. The commission shall establish civil penalties for the failure to supply information or the supplying of false information. Information furnished to the commission is classified as nonpublic data under chapter 13.

Subd. 3. [HEALTH CARE APPLICATIONS.] The health care access commission shall prepare and distribute information and evidence of insurance and application forms for health insurance under sections 1 to 11. The applications and other information must be made available to employers, health care provider offices and facilities, local human services agencies, public and community health offices and clinics, school clinics, county extension offices, and women, infants, and children (WIC) program sites. Employers must furnish applications and information to employees.

Sec. 11. [62J.11] [HEALTH CARE ACCESS ACCOUNT.]

Subdivision 1. [CREATION.] An account is established in the state treasury to be known as the health care access account. There is annually appropriated from the account to the commission the amount needed to pay for implementing and administering the health care access program established under sections 1 to 11, including payment of approved claims, refunds, administrative costs, and other related service charges.

This appropriation may not exceed \$150,000,000 in any fiscal year. The commission may, however, recommend to the legislature a different maximum appropriation level, based upon its examination of issues related to financing a health care program for the uninsured.

Subd. 2. [FUNDING.] The account is funded with revenue from the sources specified in subdivision 5 and section 8.

Subd. 3. [INVESTMENT OF ACCOUNT ASSETS.] Except as otherwise provided in subdivision 6, when there are funds in the account in excess of the amount the commission determines is currently needed, the commission shall direct the state treasurer to certify this amount to the state board of investment for investment subject to section 11A.24. Investment income and losses attributable to the account must be credited to the account.

Subd. 4. [ALLOCATION.] The commission shall allocate the appropriation to ensure that eligible persons of every income level for which there is a premium subsidy are enrolled and the appropriation is not used to disproportionately subsidize any particular income group.

Subd. 5. [ASSESSMENT ON EMPLOYERS THAT DISCONTINUE COVERAGE.] An employer that discontinues all plans of health coverage provided or made available to employees employed in this state and does not provide actuarially equivalent coverage to replace it shall pay a special assessment to the account.

The special assessment consists of an amount equal to two times the total annual premium or financing obligation of that employer for the previous calendar year.

One-half of the assessment must be paid to the account by January 1 of the year following the discontinuance, and one-half of the assessment must be paid to the account by January 1 of the next year.

The commission has all the powers under chapter 290 to impose and collect the assessment under this subdivision.

The commissioner of revenue shall provide the commission with

information necessary to allow the commission to administer and enforce this subdivision.

Subd. 6. [SURPLUS.] Surplus remaining in the fund at the end of a fiscal year may be used by the commission, in its discretion, to increase the premium subsidies.

Sec. 12. [APPROPRIATION.]

\$2,000,000 is appropriated from the general fund to the health care access commission to pay for the administrative and operating expenses of the commission. Of this appropriation, \$500,000 must be used by the commission for a subsidy program for community clinics meeting the definition in section 3, subdivision 2. In allocating this money between clinics, the commission shall take into account each clinic's financial condition and the proportion of low-income persons served by each clinic.

The appropriation is available until June 30, 1991, at which time the commission shall repay this amount to the general fund from the account created in section 11.

Sec. 13. [EFFECTIVE DATES.]

Sections 2, subdivisions 1 to 4; and 12 are effective July 1, 1989.

Section 2, subdivision 5, is effective July 1, 1990.

Sections 3 and 11 are effective May 15, 1991.

Sections 1 and 4 to 10 are effective January 1, 1992.

ARTICLE 2

Section 1. [SEVERABILITY.]

If any provision of article 1 of this act is found to be unconstitutional and void, the remainder of the article shall remain valid.

Sec. 2. [EFFECTIVE DATE.]

Section 1 is effective the day following final enactment."

Delete the title and insert:

"A bill for an act relating to health care; providing a program of affordable health care coverage for Minnesota residents; creating a health care access commission to implement and administer the program; establishing eligibility requirements and funding sources;

modifying income eligibility requirements for medical assistance; requiring a report; appropriating money; proposing coding for new law as Minnesota Statutes, chapter 62J."

The motion prevailed and the amendment was adopted.

Ogren moved to amend S. F. No. 491, as amended, as follows:

Page 2, line 9, delete "seven" and insert "11"

Page 2, line 13, delete everything after the period

Page 2, delete lines 14 and 15

Page 2, line 16, delete everything before the period and insert "Two members are appointed under the rules of the senate and two members are appointed under the rules of the house"

Page 2, delete lines 21 to 24 and insert:

"Beginning on February 2, 1990, the four legislative members become ex officio, nonvoting members."

Page 15, line 20, delete ", at" and insert a period

Page 15, delete lines 21 and 22

Page 15, line 24, delete "July"

Page 15, line 25, delete everything before the period and insert "the day following final enactment"

The motion prevailed and the amendment was adopted.

Dorn, Ogren and Pelowski moved to amend S. F. No. 491, as amended, as follows:

Page 4, line 8, delete "and"

Page 4, line 9, delete the period and insert ";

(13) examine and make recommendations to the legislature on alternative gatekeeping mechanisms for access to health care services, different benefit and service packages for the minimum core coverage plan, and alternative dollar limitations for prescription drug costs;

(14) consider alternative or additional limits on provider reimbursement and covered services, and make recommendations to the legislature;

(15) examine the effect of different copayment levels on access to health care for persons with low incomes, and provide recommendations to the legislature based on this analysis;

(16) examine and make recommendations to the legislature on alternative maximum lifetime benefits; and

(17) consider and make recommendations to the legislature on alternative sliding fee schedules.”

Page 7, delete lines 31 to 35

Page 8, delete line 36

Page 9, delete lines 1 and 2

Page 9, line 16, delete everything after the period

Page 9, delete lines 17 to 19

Page 9, line 21, delete “The”

Page 9, delete lines 22 and 23

Page 12, delete lines 26 and 27

The motion prevailed and the amendment was adopted.

Forsythe moved to amend S. F. No. 491, as amended, as follows:

Page 4, lines 12 and 14, delete “1990” and insert “1991”

A roll call was requested and properly seconded.

The question was taken on the Forsythe amendment and the roll was called. There were 51 yeas and 77 nays as follows:

Those who voted in the affirmative were:

Abrams	Carlson, D.	Gruenes	Himle	Lynch
Bauerly	Dempsey	Gutknecht	Hugoson	Macklin
Bennett	Forsythe	Hartle	Jennings	Marsh
Bertram	Frederick	Haukoos	Johnson, V.	McDonald
Blatz	Frerichs	Heap	Knickerbocker	McPherson
Boo	Girard	Henry	Limmer	Miller

Morrison	Pellow	Schafer	Stanius	Weaver
Olsen, S.	Poppenhagen	Schreiber	Swenson	
Omann	Redalen	Seaberg	Tjornhom	
Ozment	Richter	Skoglund	Tompkins	
Pauly	Runbeck	Sparby	Valento	

Those who voted in the negative were:

Anderson, G.	Hasskamp	Long	Otis	Solberg
Battaglia	Jacobs	McEachern	Pappas	Steenasma
Beard	Janezich	McGuire	Pelowski	Sviggum
Begich	Jaros	McLaughlin	Peterson	Trimble
Brown	Jefferson	Milbert	Price	Tunheim
Burger	Johnson, A.	Munger	Pugh	Vellenga
Carlson, L.	Johnson, R.	Murphy	Quinn	Wagenius
Carruthers	Kahn	Nelson, C.	Reding	Waltman
Clark	Kalis	O'Connor	Rest	Welle
Conway	Kelly	Ogren	Rice	Williams
Cooper	Kelso	Olson, E.	Rodosovich	Winter
Dauner	Kinkel	Olson, K.	Rukavina	Wynia
Dawkins	Kostohryz	Onnen	Sarna	Spk. Vanasek
Dille	Krueger	Orenstein	Scheid	
Dorn	Lasley	Osthoff	Segal	
Greenfield	Lieder	Ostrom	Simoneau	

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

Marsh and Bertram moved to amend S. F. No. 491, as amended, as follows:

Page 6, line 5, delete "COMMUNITY" and insert "COMMUNITY-BASED"

Page 6, lines 8 and 9, delete "community" and insert "community-based"

Renumber the remaining clauses

Page 6, line 22, delete "and represents"

The motion prevailed and the amendment was adopted.

S. F. No. 491, A bill for an act relating to health care; creating a health care access commission; requiring a health care access study; appropriating money.

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 126 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Abrams	Frederick	Knickerbocker	Olson, K.	Scheid
Anderson, G.	Frerichs	Kostohryz	Omann	Schreiber
Battaglia	Girard	Krueger	Onnen	Seaberg
Bauerly	Greenfield	Lasley	Orenstein	Segal
Beard	Gruenes	Lieder	Osthoff	Simoneau
Begich	Gutknecht	Limmer	Ostrom	Skoglund
Bennett	Hartle	Long	Otis	Solberg
Bertram	Hasskamp	Lynch	Ozment	Sparby
Bishop	Haukoos	Macklin	Pappas	Stanius
Blatz	Heap	Marsh	Pellow	Steensma
Boo	Himle	McDonald	Pelowski	Sviggum
Brown	Hugoson	McEachern	Peterson	Swenson
Burger	Jacobs	McGuire	Poppenhagen	Tjornhom
Carlson, D.	Janezich	McLaughlin	Price	Tompkins
Carlson, L.	Jaros	McPherson	Pugh	Trimble
Carruthers	Jefferson	Milbert	Quinn	Tunheim
Clark	Jennings	Miller	Redalen	Uphus
Conway	Johnson, A.	Morrison	Reding	Vellenga
Cooper	Johnson, R.	Munger	Rest	Wagenius
Dauner	Johnson, V.	Murphy	Rice	Waltman
Dawkins	Kahn	Nelson, C.	Rodosovich	Weaver
Dempsey	Kalis	Nelson, K.	Rukavina	Welle
Dille	Kelly	Ogren	Runbeck	Williams
Dorn	Kelso	Olsen, S.	Sarna	Winter
Forsythe	Kinkel	Olson, E.	Schafer	Wynia
				Spk. Vanasek

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

The Speaker resumed the Chair.

There being no objection, the order of business reverted to Messages from the Senate.

MESSAGES FROM THE SENATE

The following messages were received from the Senate:

Mr. Speaker:

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

H. F. No. 95, A bill for an act relating to crime victims; clarifying certain criminal fine provisions; authorizing the deposit of unclaimed and abandoned restitution payments in the crime victim and witness account; increasing the maximum amount of reparations payable for funeral, burial, or cremation expenses; authorizing the payment of reparations under certain circumstances to Minnesota residents injured by crimes committed elsewhere; clarifying the authority of the reparations board to deny reparations on the basis of claimant's contributory misconduct; amending Minnesota Statutes 1988, sections 345.48, subdivision 1; 609.101, subdivision 2;

611A.52, subdivision 8; 611A.53, by adding a subdivision; and 611A.54.

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

PATRICK E. FLAHAVEN, Secretary of the Senate

Mr. Speaker:

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

H. F. No. 245, A bill for an act relating to environment; exempting generators of small amounts of hazardous waste from administrative regulation; amending Minnesota Statutes 1988, section 116.07, subdivision 2.

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

PATRICK E. FLAHAVEN, Secretary of the Senate

Mr. Speaker:

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

H. F. No. 266, A bill for an act relating to taxation; making technical corrections and clarifications and administrative changes to premium taxes, cigarette taxes, sales taxes, motor vehicle excise taxes, gasoline and special fuel taxes, liquor taxes, marijuana and controlled substances taxes, lodging taxes, and the metropolitan solid waste landfill fee; providing for unmarked vehicles for use by the department of revenue; providing for sales of unstamped tobacco products and liquor to Indian tribes; providing for cancellation of sales tax permits; repealing obsolete or unnecessary terms or provisions; repealing express company, freight line company, and sleeping car company gross earnings taxes; requiring notification of the commissioner prior to selling cigarettes at prices other than those presumed by law; amending Minnesota Statutes 1988, sections 16B.54, subdivision 2; 41A.09, subdivision 3; 69.011, subdivision 2; 69.54; 168.012, subdivision 1; 270.06; 270.60; 296.18, subdivision 1; 297.041, subdivisions 1, 2, and 4; 297A.06; 297A.17; 297A.20; 297A.21, subdivision 4; 297A.25, subdivisions 11 and 16; 297B.01, subdivision 5; 297B.02, subdivision 1; 297B.03; 297D.13, by adding a subdivision; 325D.32, subdivision 10; 325D.37, by adding a subdivision; 469.190, subdivision 1; 473.843, subdivision 1; proposing

coding for new law in Minnesota Statutes, chapters 297, 297A, 297C, and 297D; repealing Minnesota Statutes 1988, sections 295.01, subdivisions 4, 5, 6, 7, and 8; 295.15; 295.21; 295.23; 295.24; 295.25; 295.27; 295.29; 295.30; 295.31; 297A.19; 297A.253; 477A.018; and 477A.019.

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

PATRICK E. FLAHAVEN, Secretary of the Senate

Mr. Speaker:

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

H. F. No. 700, A bill for an act relating to crimes; increasing penalties for certain crimes when committed because of the victim's or another's actual or perceived race, color, religion, sex, sexual orientation, disability, age, political affiliation, membership or lack of membership in a labor union, or national origin; increasing penalties for using the mail or making telephone calls and falsely impersonating another for the purpose of harassing, abusing, or threatening another person; amending Minnesota Statutes 1988, sections 609.2231, by adding a subdivision; 609.595, subdivisions 2, 3, and by adding a subdivision; 609.605, by adding a subdivision; 609.746, by adding a subdivision; 609.79, by adding a subdivision; and 609.795.

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

PATRICK E. FLAHAVEN, Secretary of the Senate

Mr. Speaker:

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

H. F. No. 811, A bill for an act relating to natural resources; changing certain provisions relating to the taking of turtles; amending Minnesota Statutes 1988, sections 97A.475, subdivision 41; 97C.605, subdivisions 2 and 3; and 97C.611; repealing Minnesota Statutes 1988, section 97C.615.

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

is herewith returned to the House.

PATRICK E. FLAHAVEN, Secretary of the Senate

Mr. Speaker:

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

H. F. No. 1016, A bill for an act relating to juvenile justice; authorizing the juvenile court to place juvenile alcohol or controlled substance offenders on probation; authorizing the juvenile court to require the commissioner of public safety to revoke the driver's license or permit of habitual petty offenders or to deny driving privileges to them if they do not have a license or permit; removing certain limitations on parental liability for thefts by minors; removing a repealer; amending Minnesota Statutes 1988, sections 171.04; 260.195, subdivision 3, and by adding subdivisions; and 332.51, subdivision 3; repealing Laws 1985, chapter 278, section 2.

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

PATRICK E. FLAHAVEN, Secretary of the Senate

Mr. Speaker:

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

H. F. No. 1160, A bill for an act relating to education; authorizing school district participation in certain energy efficiency projects; proposing coding for new law in Minnesota Statutes, chapter 124.

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

PATRICK E. FLAHAVEN, Secretary of the Senate

Mr. Speaker:

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

H. F. No. 1435, A bill for an act relating to liquor; authorizing issuance of a certain on-sale license in Todd county.

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

PATRICK E. FLAHAVEN, Secretary of the Senate

Mr. Speaker:

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

H. F. No. 1530, A bill for an act relating to commerce; regulating business relations between manufacturers of heavy and utility equipment and independent retail dealers of those products; proposing coding for new law in Minnesota Statutes, chapter 325E.

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

PATRICK E. FLAHAVEN, Secretary of the Senate

Mr. Speaker:

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

H. F. No. 826, A bill for an act relating to the collection and dissemination of data; providing access to private and confidential data related to delinquent acts for law enforcement purposes; amending Minnesota Statutes 1988, sections 13.84, subdivision 5a; and 260.161, subdivision 2.

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

PATRICK E. FLAHAVEN, Secretary of the Senate

Mr. Speaker:

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

S. F. No. 1618.

The Senate has repassed said bill in accordance with the recommendation and report of the Conference Committee. Said Senate

File is herewith transmitted to the House.

PATRICK E. FLAHAVEN, Secretary of the Senate

CONFERENCE COMMITTEE REPORT ON S. F. NO. 1618

A bill for an act relating to the organization and operation of state government; appropriating money for the department of transportation and other agencies with certain conditions; providing for regulation of certain activities and practices; requiring studies and reports; fixing and limiting fees; amending Minnesota Statutes 1988, sections 12.14; 41A.09; 43A.08, subdivision 1; 237.30; 341.10; 473.384, subdivision 7; and 473.386, subdivision 4; proposing coding for new law in Minnesota Statutes, chapter 299C.

May 19, 1989

The Honorable Jerome M. Hughes
President of the Senate

The Honorable Robert E. Vanasek
Speaker of the House of Representatives

We, the undersigned conferees for S. F. No. 1618, report that we have agreed upon the items in dispute and recommend as follows:

That the House recede from its amendment and that S. F. No. 1618 be further amended as follows:

Delete everything after the enacting clause and insert:

“Section 1. [TRANSPORTATION AND OTHER AGENCIES; APPROPRIATIONS.]

The sums shown in the columns marked “APPROPRIATIONS” are appropriated from the general fund, or another named fund, to the agencies and for the purposes specified in this act, to be available for the fiscal years indicated for each purpose. The figures “1989,” “1990,” and “1991,” where used in this act, mean that the appropriation or appropriations listed under them are available for the year ending June 30, 1989, June 30, 1990, or June 30, 1991, respectively.

1990

1991

\$

\$

where another fund is named.

Summary by Fund

General	\$ 4,205,000	\$ 4,203,000
Airports	\$ 14,099,000	\$ 13,927,000
M.S.A.S.	\$ 76,800,000	\$ 78,200,000
C.S.A.H.	\$237,400,000	\$242,000,000
Trunk Highway	\$734,607,000	\$753,843,000
Transit Assistance Fund	\$ 8,077,000	\$ 8,077,000
Motor Vehicle Transfer	\$ 869,000	\$ 869,000

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

Subd. 2. Highway Development	750,467,000	791,014,000
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Summary by Fund

M.S.A.S.	\$ 76,800,000	\$ 78,200,000
C.S.A.H.	\$237,400,000	\$242,000,000
Trunk Highway	\$435,398,000	\$469,945,000
Motor Vehicle Transfer	\$ 869,000	\$ 869,000

(a) Trunk Highways

1990	1991
\$426,816,000	\$426,816,000

Summary by Fund

Trunk Highway	\$425,947,000	\$425,947,000
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1990

1991

\$

\$

Motor Vehicle Transfer

\$869,000 \$869,000

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

Federal Highway Aid

\$210,000,000 \$210,000,000

Highway User Taxes

\$215,947,000 \$215,947,000

The commissioner of transportation shall notify the chair of the committee on finance of the senate and chair of the committee on appropriations of the house of representatives promptly of any events that should cause these estimates to change.

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

\$300,000 appropriated by Laws 1988, chapter 603, section 7, paragraph (a), from the highway user tax distribution fund to the transportation study board is available until June 30, 1991.

(b) County State Aids

\$237,400,000 \$242,000,000

This appropriation is from the county state-aid highway fund and is available until spent.

(c) Municipal State Aids

\$76,800,000 \$78,200,000

1990

1991

\$

\$

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

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

(d) Highway Debt Service

\$9,451,000 \$43,998,000

\$9,057,000 the first year and \$8,704,000 the second year are for transfer to the state bond fund.

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

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

Subd. 3. Public Transit Assistance

11,551,000

11,551,000

Summary by Fund

General

\$3,474,000 \$3,474,000

	1990	1991
	\$	\$
Transit Assistance	\$8,077,000	\$8,077,000

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

Up to \$100,000 of this appropriation may be used for a study of transportation services provided by volunteer drivers, including, but not limited to, identification of issues relating to insurance availability and cost. The commissioner shall report the findings of the study to the 1991 legislature.

(a) Light Rail Transit

\$3,408,000	\$3,408,000
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This appropriation is from the transit assistance fund.

A grant for light rail transit service within the seven-county metropolitan area must be made only with the approval of the regional transit board.

(b) Greater Minnesota Transit Assistance

\$8,143,000	\$8,143,000
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\$4,669,000 the first year and \$4,669,000 the second year are from the transit assistance fund.

Subd. 4. Aeronautics	10,031,000	10,181,000
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This appropriation is from the state airports fund.

(a) Airport Development and Assistance

\$9,966,000	\$10,116,000
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\$1,746,000 the first year and \$1,746,000 the second year are for navigational aids.

	1990	1991
	\$	\$
\$6,039,000 the first year and \$6,089,000 the second year are for airport construction grants.		

\$1,773,000 the first year and \$1,773,000 the second year are for airport maintenance grants.

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

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

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

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

\$400,000 the first year and \$500,000 the second year are for air service grants.

(b) Civil Air Patrol

\$65,000	\$65,000		
Subd. 5. Operations		188,268,000	188,336,000

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

	1990	1991
	\$	\$
(a) Maintenance		
\$128,504,000	\$128,544,000	
(b) Construction Support		
\$ 59,764,000	\$ 59,792,000	
Subd. 6. Technical Services	56,173,000	55,393,000

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

(a) Program Delivery		
\$52,411,000	\$51,631,000	

\$75,000 the first year and \$75,000 the second year are for a transportation research contingent account to finance research projects that are reimbursable from the federal government or from other sources. If the appropriation for either year is insufficient, the appropriation for the other year is available for it.

The department is directed to seek federal funding for all or part of the costs associated with construction and operation of the cold region test facility. The local road research board may contribute available research funds to the department to further the development of this facility.

(b) State Aid Technical Assistance		
\$ 946,000	\$ 946,000	
(c) Electronic Communications		
\$2,816,000	\$2,816,000	
Subd. 7. Program Management	11,817,000	11,175,000

	1990	1991
	\$	\$
Summary by Fund		
General	\$ 684,000	\$ 682,000
Trunk Highway	\$7,719,000	\$6,969,000
State Airports	\$3,414,000	\$3,524,000

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

(a) Highway Program Administration

\$1,850,000 \$1,850,000

Summary by Fund

General	\$ 75,000	\$ 75,000
Trunk Highway	\$1,775,000	\$1,775,000

\$243,000 the first year and \$243,000 the second year are available for grants to regional development commissions outside the seven-county metropolitan area for transportation studies to identify critical concerns, problems, and issues.

(b) Motor Carrier Administration

\$1,212,000 \$1,212,000

(c) Railroads and Waterways

\$ 962,000 \$ 961,000

Summary by Fund

General	\$237,000	\$236,000
Trunk Highway	\$725,000	\$725,000

	1990	1991
	\$	\$
(d) Transit Administration		
	\$597,000	\$596,000

Summary by Fund

General	\$372,000	\$371,000
Trunk Highway	\$225,000	\$225,000

(e) Aeronautics Administration	\$3,414,000	\$3,524,000
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This appropriation is from the state airports fund.

(f) Transportation Data Analysis	\$3,782,000	\$3,032,000
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Subd. 8. General Support Services	38,355,000	33,469,000
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Summary by Fund

General	\$ 47,000	\$ 47,000
Airports	\$ 254,000	\$ 222,000
Trunk Highway	\$38,054,000	\$33,200,000

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

(a) General Administration	\$12,483,000	\$12,505,000
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(b) General Services	\$ 6,837,000	\$ 5,687,000
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	\$	1990	\$	1991
Summary by Fund				
General	\$	42,000	\$	42,000
Airports	\$	131,000	\$	120,000
Trunk Highway		\$6,664,000		\$5,525,000

\$1,375,000 the first year is for data processing development. Any unencumbered balance remaining in the first year does not cancel but is available for the second year of the biennium.

(c) Equipment

\$17,815,000	\$14,057,000
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If the appropriation for either year is insufficient, the appropriation for the other year is available for it.

Summary by Fund

General	\$	5,000	\$	5,000
Airports	\$	69,000	\$	48,000
Trunk Highway		\$17,741,000		\$14,004,000

(d) Legal Services

\$1,166,000	\$1,166,000
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This appropriation is for the purchase of legal services from or through the attorney general.

(e) Air Transportation Services

\$54,000	\$54,000
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This appropriation is from the state airports fund.

Subd. 9. Transfers

	1988	1989
	\$	\$

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

Subd. 10. Contingent Appropriation

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

Subd. 11. Buildings	9,395,000
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Summary by Fund

Trunk Highway	\$8,995,000	\$-0-
Airports	\$ 400,000	\$-0-

The appropriations in this subdivision are available the day following final enactment and until spent.

	1990	1991
	\$	\$
(a) St. Paul Central Office Building	150,000	

This appropriation is to prepare, in consultation with the department of administration, alternative building, site, and financing proposals for consideration by the 1990 legislature.

(b) Duluth District Headquarters	3,900,000
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This appropriation is to construct an addition for office, shops, and vehicle storage; to remodel and update the four-story office tower; to remove asbestos; to improve mechanical, electrical, fire, and life safety items; and to enlarge the parking lot to accommodate relocated employees.

(c) Marshall Area Maintenance Building	2,200,000
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This appropriation is to construct a new building with space for shops, storage, offices, and support facilities.

(d) Moorhead Weigh Station	655,000
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This appropriation is to construct a scale house, electronic weigh scale platform and pit, and a weighing-in-motion sorter.

(e) St. Cloud Area Headquarters	90,000
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This appropriation is to prepare working drawings for remodeling and construction of an addition to the office areas.

(f) Maple Grove Truck Station	60,000
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This appropriation is to prepare working drawings for construction of an addition to provide space for offices and equipment.

(g) Detroit Lakes Headquarters	100,000
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1990

1991

\$

\$

This appropriation is to prepare working drawings for remodeling and construction of an addition to provide space for offices, shops, and storage.

(h) Mankato Headquarters 90,000

This appropriation is to prepare working drawings for remodeling and construction of an addition to provide space for offices, shops, and storage.

(i) Spring Lake Park 55,000

This appropriation is to prepare working drawings for a new equipment storage building.

(j) Golden Valley Headquarters 50,000

This appropriation is to prepare schematic plans for solving problems related to inadequate space for offices, shops, and storage.

(k) Arden Hills Training Center 50,000

This appropriation is to prepare schematic plans for remodeling and renovating the center.

(l) Thief River Falls Government Service Center 100,000

This appropriation is to prepare working drawings for a building to house the resident engineer construction office, the truck station, the state patrol district office, and the department of natural resources area office.

(m) Statewide

(1) Remove asbestos from department buildings and reinsulate pipes 250,000

	1990	1991
	\$	\$
(2) Replace underground storage tanks or upgrade to EPA standards	750,000	
(3) Construct or remodel chemical storage sheds	405,000	
(4) Acquire land	90,000	

This appropriation is to acquire land for truck stations.

(n) St. Paul Downtown Airport	400,000	
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This appropriation is from the state airports fund to acquire an airplane hangar.

Sec. 3. REGIONAL TRANSIT BOARD

Subdivision 1. Total Appropriation	24,923,000	24,923,000
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Summary by Fund

General	\$ 9,656,000	\$ 9,656,000
Transit Assistance	\$15,267,000	\$15,267,000

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

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

For the purpose of improving air quality and promoting alternative energy sources in the metropolitan area, the regional transit board shall evaluate

1990

1991

\$

\$

and promote the use of vehicles that operate on clean-burning alternative fuels, including natural gas, methanol, and ethanol. The board shall: evaluate the feasibility and effectiveness of using the fuels; review the efforts of other public agencies in the use of the fuels; and examine opportunities and demonstrate, when technically and economically feasible, the use of the fuels in vehicles and buses operated by the board, the metropolitan transit commission, and other transit operators and in the vehicle fleets of other metropolitan agencies. In its 1990 and 1991 reports to the legislature, the board shall include a report on its activities in carrying out the provisions of this paragraph.

Subd. 2. Regular Route Service

\$11,154,000 \$11,154,000

Subd. 3. Metro Mobility

\$11,500,000 \$11,500,000

Subd. 4. Small Urban, Rural,
and Replacement Services

\$919,000 \$919,000

Subd. 5. Planning and Programs

\$900,000 \$900,000

Subd. 6. Administration

\$450,000 \$450,000

Sec. 4. TRANSPORTATION
REGULATION BOARD

629,000

609,000

Approved Complement - 9.5

This appropriation is from the trunk highway fund.

Sec. 5. PUBLIC SAFETY

	1988	1989
	\$	\$
Subdivision 1: Total Appropriation	93,727,000	92,489,000
	1990	1991
Approved Complement -	1,731.9	1,744.9
General -	394.2	397.2
Special Revenue -	22.5	26.5
Trunk Highway -	1,090.8	1,092.8
Highway User -	172.6	172.6
Federal -	51.8	55.8

The above approved complement includes 531 for state-funded, unclassified patrol officers and supervisors of the state patrol. Nothing in this provision is intended to limit the authority of the commissioner of public safety to transfer personnel, with the approval of the commissioner of finance, among the various units and divisions within this section, provided that the above complement must be reduced accordingly.

Summary by Fund

General	\$23,971,000	\$23,752,000
Trunk Highway	\$59,944,000	\$58,279,000
Highway User	\$10,922,000	\$11,162,000
Special Revenue	\$ 1,679,000	\$ 1,839,000
Transfers to Other Direct	(\$ 2,789,000)	(\$ 2,543,000)

1990

1991

\$

\$

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

Subd. 2. Administration and Related Services

\$5,481,000 \$5,066,000

Summary by Fund

General

\$ 53,000 \$ 53,000

Trunk Highway

\$5,338,000 \$4,923,000

Highway User

\$ 90,000 \$ 90,000

\$967,000 the first year and \$549,000 the second year are for management information systems. Any unencumbered balance remaining in the first year does not cancel but is available for the second year of the biennium.

Subd. 3. Emergency Management

\$955,000 \$955,000

\$426,000 the first year and \$426,000 the second year are for nuclear plant preparedness. Any unencumbered balance remaining in the first year does not cancel but is available for the second year of the biennium.

Subd. 4. Criminal Apprehension

\$13,495,000 \$13,525,000

Summary by Fund

General

\$12,046,000 \$12,076,000

Special Revenue

\$ 480,000 \$ 480,000

	1990	1991
	\$	\$
Trunk Highway		
	\$969,000	\$969,000

\$223,000 the first year and \$223,000 the second year are for use by the bureau of criminal apprehension for the purpose of investigating cross-jurisdictional criminal activity. Any unencumbered balance remaining in the first year does not cancel but is available for the second year of the biennium.

\$171,000 the first year and \$171,000 the second year are for grants to local officials for the cooperative investigation of cross-jurisdictional criminal activity. Any unencumbered balance remaining in the first year does not cancel but is available for the second year of the biennium.

\$384,000 the first year and \$384,000 the second year from the Bureau of Criminal Apprehension Account in the special revenue fund are for laboratory activities.

\$96,000 the first year and \$96,000 the second year from the Bureau of Criminal Apprehension Account in the special revenue fund are for grants to local officials for the cooperative investigation of cross-jurisdictional criminal activity. Any unencumbered balance remaining in the first year does not cancel but is available for the second year.

\$730,000 the first year and \$730,000 the second year are for the purchase of an automated fingerprint identification system through lease-purchase. Any unencumbered balance remaining in the first year does not cancel but is available for the second year.

Subd. 5. Fire Safety

\$1,898,000	\$1,894,000
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	1990	1991
	\$	\$
Subd. 6. State Patrol		
\$39,050,000	\$37,998,000	

This appropriation is from the trunk highway fund.

No more than five positions, excluding the chief patrol officer, in the state patrol support activity may be filled by state troopers.

This appropriation includes \$100,000 in the first year from the trunk highway fund to install Minnesota State Emergency Frequency (MINSEF) Base Stations at the following six locations: Dresbach, Hader, Biscay, Truman, Erhard, and Crookston.

The commissioner may purchase other motor fuel when gasohol is not available for the operation of state patrol vehicles.

During the biennium ending June 30, 1991, and notwithstanding other law to the contrary, the commissioner shall authorize the appointing authority to permit the donation of up to eight hours of accumulated vacation time in each year by each employee who is a member of the law enforcement unit number 1 to the employee's union representative for the purpose of carrying out the duties of office.

\$900,000 the first year and \$371,000 the second year from the trunk highway fund are to modernize the metropolitan area radio communications centers. Any unencumbered balance remaining in the first year does not cancel but is available for the second year.

Subd. 7. Capitol Security

\$1,540,000	\$1,572,000
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	1990	1991
	\$	\$
Subd. 8. Driver and Vehicle Li-		
censing		
\$28,347,000	\$28,358,000	

Summary by Fund

General	\$ 4,377,000	\$ 4,377,000
Trunk Highway	\$14,587,000	\$14,389,000
Highway User	\$ 9,383,000	\$ 9,592,000

\$431,000 the first year and \$431,000 the second year are for alcohol assessment reimbursements to counties.

Subd. 9. Liquor Control

\$738,000	\$738,000
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Subd. 10. Ancillary Services

\$2,223,000	\$2,383,000
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Summary by Fund

General	\$1,024,000	\$1,024,000
Special Revenue	\$1,199,000	\$1,359,000

(a) Pipeline Safety

\$549,000	\$709,000
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This appropriation is from the pipeline safety account in the special revenue fund. The pipeline safety account is a dedicated receipt account, which means that fee revenue generated in one year does not cancel but is carried forward to the following year.

(b) Crime Victims Reparations Board

\$1,390,000	\$1,390,000
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	1990	1991
	\$	\$
Summary by Fund		
General	\$840,000	\$840,000
Special Revenue	\$550,000	\$550,000

The appropriation from the special revenue fund is from the crime victim and witness account. Any unencumbered balance remaining the first year does not cancel but is available for the second year of the biennium.

Notwithstanding any other law to the contrary, the crime victims reparations board shall, to the extent possible, distribute the appropriation in equal monthly increments. In no case shall the total awards exceed the appropriation made in this subdivision.

(c) Children's Trust Fund

\$100,000	\$100,000
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This appropriation is from the children's trust fund account in the special revenue fund.

(d) Emergency Response Commission

\$129,000	\$129,000
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(e) Private Detective and Protective Agency Licensing Board

\$55,000	\$55,000
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Subd. 11. Transfers

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

	1990	1991
	\$	\$

Subd. 12. Reimbursements

(a) \$1,340,000 for the first year and \$1,063,000 for the second year are appropriated from the general fund for transfer by the commissioner of finance to the trunk highway fund on January 1, 1990, and January 1, 1991, respectively, in order to reimburse the trunk highway fund for expenses not related to the fund. These represent amounts appropriated out of the trunk highway fund for general fund purposes in the administration and related services program.

(b) \$455,000 for the first year and \$453,000 for the second year are appropriated from the highway user tax distribution fund for transfer by the commissioner of finance to the trunk highway fund on January 1, 1990, and January 1, 1991, respectively, in order to reimburse the trunk highway fund for expenses not related to the fund. These represent amounts appropriated out of the trunk highway fund for highway user fund purposes in the administration and related services program.

(c) \$994,000 for the first year and \$1,027,000 for the second year are appropriated from the highway user tax distribution fund for transfer by the commissioner of finance to the general fund on January 1, 1990, and January 1, 1991, respectively, in order to reimburse the general fund for expenses not related to the fund. These represent amounts appropriated out of the general fund for operation of the criminal justice data network related to driver and motor vehicle licensing.

Sec. 6. BOARD OF PEACE OFFICER STANDARDS AND TRAINING

General Operations and Management

3,600,000

3,600,000

	1990	1991
	\$	\$
Approved Complement - 11		

These appropriations are from the peace officers training account in the special revenue fund and are available until spent.

Notwithstanding any other law to the contrary, if any presently duly elected sheriff is licensed by the board on July 1, 1989, only as a result of Laws 1987, chapter 358, section 6, the county board of that county may, after notice to the sheriff and a public hearing, declare by resolution that the office of sheriff in that county is vacant, and may schedule a special election to fill that office. Any presently duly elected sheriff who is licensed by the board on July 1, 1989, only as a result of Laws 1987, chapter 358, section 6, may continue to serve in that office without meeting the licensing requirements of the board only until a successor is duly elected at a special election or, if no special election is held, until the expiration of the term for which the sheriff was elected.

Sec. 7. AGRICULTURE

Subdivision 1. Total Appropriation	11,269,000	11,294,000
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	<u>1990</u>	<u>1991</u>
Approved Complement -	474.8	475.8
General -	196.8	197.8
Special/Revolving -	259.7	259.7
Federal -	18.3	18.3

Summary by Fund

General	\$11,084,000	\$11,109,000
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	1990	1991
	\$	\$
Special Revenue		
\$185,000	\$185,000	

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

Subd. 2. Protection Service

\$4,269,000 \$4,269,000

Subd. 3. Promotion and Marketing

\$757,000 \$757,000

\$200,000 the first year and \$200,000 the second year are for transfer to the Minnesota grown account.

\$100,000 the first year and \$100,000 the second year is appropriated under Minnesota Statutes, section 41A.09, subdivision 1, to the commissioner of agriculture to promote the use of ethanol fuel. This appropriation is in addition to the other appropriations in section 41A.09.

Subd. 4. Family Farm Security

\$1,559,000 \$1,559,000

\$962,000 the first year and \$962,000 the second year are for family farm security interest payment adjustments. If the appropriation for either year is insufficient, the appropriation for the other year is available for it. No new loans may be approved in fiscal year 1990 or 1991.

\$300,000 the first year and \$300,000 the second year are for farm crisis assistance.

Subd. 5. Administrative Support and Grants

\$4,684,000 \$4,709,000

	1990	1991
	\$	\$
Summary by Fund		
General	\$4,499,000	\$4,524,000
Special Revenue	\$ 185,000	\$ 185,000

\$185,000 the first year and \$185,000 the second year are from the commodities research and promotion account in the special revenue fund.

\$200,000 the first year and \$200,000 the second year are for grants to farmers for demonstration projects involving sustainable agriculture. If a project cost is more than \$25,000, the amount above \$25,000 must be cost-shared at a state-applicant ratio of one to one. Priorities must be given for projects involving multiple parties. Up to \$20,000 each year may be used for dissemination of information about the demonstration grant projects.

\$73,000 the first year and \$73,000 the second year are for the Northern Crops Institute. These appropriations, and money granted to the Northern Crops Institute for fiscal year 1989, may be spent to purchase equipment and are available until spent.

\$31,000 the first year and \$31,000 the second year are for payment of claims relating to livestock damaged by endangered animal species. If the appropriation for either year is insufficient, the appropriation for the other year is available for it.

\$10,000 the first year and \$10,000 the second year are for payment of claims relating to agricultural crops damaged by elk.

\$103,000 the first year and \$103,000 the second year are for the seaway port authority of Duluth.

	1990	1991
	\$	\$
Subd. 6. Transfers		

The commissioner of agriculture with the approval of the commissioner of finance may transfer unencumbered balances not specified for a particular purpose among the above programs. Transfers must be reported immediately to the committee on finance of the senate and the committee on appropriations of the house of representatives.

Sec. 8. WORLD TRADE CENTER CORPORATION	1,350,000	800,000
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This appropriation includes \$450,000 in the first year to cover part of the cost of conducting the World Assembly in Minnesota in 1990. It is the intent of the legislature that the World Trade Center Corporation secure an additional \$300,000 from sources other than state funds to cover the cost of conducting this event. The corporation shall report the results of its efforts to the legislature by January 15, 1991.

Any unencumbered balance remaining in fiscal year 1989 does not cancel but is available for fiscal year 1990 and any unencumbered balance remaining in fiscal year 1990 does not cancel but is available for fiscal year 1991.

Sec. 9. BOARD OF WATER AND SOIL RESOURCES	4,948,000	4,948,000
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Approved Complement - 25

\$10,000 the first year and \$10,000 the second year are for the International Water Coalition.

\$978,000 the first year and \$978,000 the second year are for general purpose grants to soil and water conservation districts, including conservation tillage and review and comment on water permits. Upon approval of the board, ex-

1990

\$

1991

\$

penditures may be made from these appropriations for supplies and services benefiting soil and water conservation districts.

\$199,000 the first year and \$199,000 the second year are for grants to watershed districts and other local units of government in the southern Minnesota river basin study area 2 for flood plain management.

\$1,501,000 the first year and \$1,501,000 the second year are for grants to soil and water conservation districts for cost-sharing contracts for erosion control and water quality management.

The appropriations in this section for the southern Minnesota river basin study area 2 and for grants to soil and water districts for cost-sharing contracts for erosion control and water quality management are available until expended.

\$159,000 the first year and \$159,000 the second year are for grants-in-aid to soil and water conservation districts and local units of government to assist them in solving sediment and erosion control problems. Grants must not exceed 50 percent of total project costs or 50 percent of the local share if federal money is used. Priority must be given to projects designed to solve lakeshore, stream bank, and roadside erosion and to projects eligible for federal matching money.

\$175,000 the first year and \$175,000 the second year are for comprehensive local water planning.

\$902,000 the first year and \$902,000 the second year are for technical services and implementation of the con-

	1990	1991
	\$	\$
<p>ervation reserve program. Of this appropriation, \$750,000 the first year and \$750,000 the second year must be distributed to soil and water conservation districts.</p>		

<p>Sec. 10. BOARD OF ANIMAL HEALTH</p>	2,165,000	1,995,000
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Approved Complement - 37

This appropriation includes \$25,000 the first year and \$25,000 the second year for payment of indemnities. If the appropriation for indemnities for either year is insufficient, the appropriation for the other year is available for it. Indemnities of less than \$1 must not be paid.

\$300,000 the first year and \$150,000 the second year are for an integrated pseudorabies control and research program. The board of animal health must consult with the pseudorabies advisory council about how this money should be spent. The appropriation for the second year is available only as matched, dollar for dollar, by money from nonstate sources.

Sec. 11. COMMERCE

<p>Subdivision 1. Total Appropriation</p>	10,319,000	10,355,000
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Approved Complement - 230

General - 225

Petroleum Cleanup - 2

Special Revenue - 3

Summary by Fund

<p>General</p>	\$9,965,000	\$10,000,000
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	1990	1991
	\$	\$
Petroleum Cleanup		
\$ 56,000	\$ 56,000	
Special Revenue		
\$298,000	\$299,000	

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

The department must comply with Minnesota Statutes, section 8.15 only to the extent of funds appropriated for that purpose.

Subd. 2. Financial Examinations

\$4,166,000 \$4,166,000

Subd. 3. Registration and Analysis

\$1,863,000 \$1,863,000

Subd. 4. Petroleum Tank Release Cleanup Board

\$56,000 \$56,000

This appropriation is from the Petroleum Tank Release Cleanup Fund for administration.

Subd. 5. Administrative Services

\$1,602,000 \$1,637,000

Subd. 6. Enforcement and Licensing

\$2,632,000 \$2,633,000

Summary by Fund

General	\$2,334,000	\$2,334,000
Special Revenue		
\$ 298,000	\$ 299,000	

\$298,000 the first year and \$299,000 the second year are from the real estate

	1990	1991
	\$	\$
education, research, and recovery account in the special revenue fund for the purpose of Minnesota Statutes, section 82.34, subdivision 6. If the appropriation from the special revenue fund for either year is insufficient, the appropriation for the other year is available for it.		

Subd. 7. Transfers

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

Up to \$50,000 may be used to study the cost effectiveness of care provided by members of the healing arts, as defined in Minnesota Statutes, chapter 146. The commissioner shall report the findings to the legislature by January 1, 1990.

Sec. 12. NON-HEALTH-RELATED BOARDS

Subdivision 1. Total for this section	964,000	955,000
Subd. 2. Board of Abstractors	9,000	8,000
Subd. 3. Board of Accountancy	358,000	358,000
Approved Complement - 5		
Subd. 4. Board of Architecture, Engineering, Land Surveying, and Landscape Architecture	411,000	403,000
Approved Complement - 6.5		
Subd. 5. Board of Barber Examiners	127,000	127,000

	1988	1989
	\$	\$
Approved Complement - 2.5		
Subd. 6. Board of Boxing	59,000	59,000
Approved Complement - 1.5		
Sec. 13. PUBLIC UTILITIES COMMISSION	2,060,000	2,050,000
Approved Complement - 39		

Notwithstanding Minnesota Statutes, section 216B.243, subdivision 6, for any certificate of need application for expansion of the storage capacity for spent nuclear fuel rods, the commission and department shall assess actual amounts billed by the office of administrative hearings and up to \$300,000 of reasonable costs of the commission and department pursuant to Minnesota Statutes, section 216B.62, subdivision 6, during the biennium, subject to the limitations of Minnesota Statutes, section 216B.62, subdivision 2.

Sec. 14. PUBLIC SERVICE

Subdivision 1. Total Appropriation	6,577,000	6,581,000
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Approved Complement - 141.8

General - 124.3

Special Revenue - 7.5

Federal - 10.0

Summary by Fund

General	\$6,512,000	\$6,516,000
Special Revenue	\$ 65,000	\$ 65,000

	1990	1991
	\$	\$

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

Subd. 2. Utility Regulation

\$1,974,000	\$1,974,000
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Subd. 3. Weights and Measures

\$1,973,000	\$1,977,000
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Subd. 4. Administrative Services

\$ 665,000	\$ 665,000
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Subd. 5. Energy

\$1,965,000	\$1,965,000
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Summary by Fund

General

\$1,900,000	\$1,900,000
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Special Revenue

\$ 65,000	\$ 65,000
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Subd. 6. Transfers

The department of public service, with the approval of the commissioner of finance, may transfer unencumbered balances not specified for a particular purpose among the above programs. Transfers must be reported immediately to the committee on finance of the senate and the committee on appropriations in the house of representatives.

Sec. 15. RACING COMMISSION

930,000	935,000
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Approved Complement - 9.5

General - 8

Special Revenue - 1.5

	1990	1991
	\$	\$
Sec. 16. ETHICAL PRACTICES BOARD	277,000	276,000
Approved Complement - 6		
Sec. 17. MINNESOTA MUNICIPAL BOARD	252,000	253,000
Approved Complement - 4		
Sec. 18. MINNESOTA-WISCONSIN BOUNDARY AREA COMMISSION	111,000	115,000
Sec. 19. UNIFORM LAWS COMMISSION	17,000	17,000
Sec. 20. VOYAGEUR'S NATIONAL PARK CITIZENS COMMITTEE	71,000	71,000

Notwithstanding other law to the contrary, the citizen's council on Voyageurs National Park is extended until June 30, 1991.

Sec. 21. MINNESOTA HISTORICAL SOCIETY

Subdivision 1. Total Appropriation	11,521,000	11,943,000
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The amounts that may be spent from this appropriation for each program are specified in the following subdivisions.

This appropriation includes funds to continue the copying and cataloguing of Hubert H. Humphrey Film Archives material as determined by the society.

The society may cooperate with the supreme court to ensure that the marble fountain which occupied space in the former mechanic arts high school building is installed in the judicial building, using funds included in the supreme court appropriation for this purpose.

1990

1991

\$

\$

The appropriation in this section includes no money for compensation increases. The Minnesota historical society is eligible for a salary supplement in the same manner as state agencies. The commissioner of finance will determine the amount of the salary supplement based on available appropriations. Employees of the Minnesota historical society will be paid in accordance with the appropriate pay plan.

Subd. 2. Minnesota Historical Society Operations	6,706,000	6,711,000
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Any unencumbered balance remaining at the end of the first year must be returned to the state treasury and credited to the general fund.

Subd. 3. Historic Site Operations	3,178,000	3,198,000
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\$20,000 the first year and \$40,000 the second year are to restore and operate the Meighen store in Forestville state park.

Subd. 4. State History Center	379,000	941,000
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Notwithstanding any other law to the contrary, unencumbered balances from appropriations in Minnesota Session Laws 1983, chapter 344, section 13, are reappropriated to the Minnesota historical society for the state history center building and exhibit construction purposes. The Minnesota historical society shall report to the chair of the senate committee on finance and the chair of the house of representatives committee on appropriations on expenditures made under this subdivision. The purpose of the reappropriation is to cover existing projects and not to cover expansion of projects.

	1990	1991
	\$	\$
Subd. 5. Repair and Replacement	454,000	454,000

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

Subd. 6. Historic Grant-In-Aid	367,000	292,000
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(a) Historic Preservation

\$295,000 \$265,000

For historic site grants to encourage local historic preservation projects.

To be eligible for a grant, a county or local project group must provide a 50 percent match, in accordance with the historical society's guidelines.

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

\$30,000 the first year is for a grant to the city of Little Falls to preserve a railroad depot designed by Cass Gilbert.

(b) Archaeology

\$27,000 \$27,000

(c) Special Projects

\$45,000

This appropriation is available until expended for the following purposes: \$15,000 to the Southwest Regional Development Commission for the Prairie-land Expo Center for project assistance; \$25,000 to the Leech Lake Band of Chippewa Indians for project planning assistance relating to Battle Point; and \$5,000 to Houston county to relocate the Mayville town hall.

	1990	1991
	\$	\$
Subd. 7. Fiscal Agent	437,000	347,000

(a) Sibley House Association

\$93,000	\$93,000
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This appropriation is available for operation and maintenance of the Sibley House and related buildings on the Old Mendota state historic site owned by the Sibley House association.

The historical society should seek an agreement with the Sibley House association whereby the historical society will make payments to the association for this purpose and will provide the association with technical assistance in applying for federal grants.

Notwithstanding any other law, the Sibley House association may purchase fire, wind, hail, and vandalism insurance, and insurance coverage for fine art objects from this appropriation.

\$20,000 the first year and \$20,000 the second year are for repairs and are available as approved by the Minnesota historical society working in cooperation with the Sibley House Association.

The Minnesota historical society shall study and report to the governor and the legislature by July 1, 1990, on the ownership and management of the Sibley house historic site, which includes the Sibley, Faribault, and Du Puis houses. The purpose of the study is to prepare for transferring these properties to the state for inclusion in the state's historic site network. The study must include the governance of the site, funding needed to repair and restore the site, restoration priorities, funding needed to operate the site, and ownership of the collections. The study must contain joint recommendations of

1990

1991

\$

\$

the society and the association regarding these issues as well as a recommendation on when the site should be turned over to the state. Recommendations for funding must be included in the 1992-1993 biennial budget request.

(b) Minnesota Humanities Commission

\$147,000 \$147,000

(c) Minnesota International Center

\$ 78,000 \$ 38,000

\$40,000 the first year is to be divided equally by the Minnesota International Center among school districts participating in the U.S.- U.S.S.R. high school academic program and must be used to help pay the cost of sending Minnesota students to study in the Soviet Union.

(d) Minnesota Military Museum

\$30,000

(e) Minnesota Air National Guard Museum

\$20,000

(f) Government Learning Center

\$69,000 \$69,000

This appropriation is for Project 120.

(g) Balances Forward

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

	1990	1991
	\$	\$
Sec. 22. BOARD OF THE ARTS	4,164,000	4,164,000

	1990
Approved Complement -	16
General -	13
Federal -	3

\$1,382,000 the first year and \$1,382,000 the second year are for the support of regional arts councils throughout the state.

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

Sec. 23. MINNESOTA HORTI- CULTURAL SOCIETY	68,000	68,000
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The appropriation in Laws 1978, chapter 793, section 24, for the garden state project may also be spent for the Minnesota Green project.

Sec. 24. MINNESOTA ACAD- EMY OF SCIENCE	28,000	28,000
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Sec. 25. SCIENCE MUSEUM OF MINNESOTA	638,000	638,000
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Sec. 26. MINNESOTA SAFETY COUNCIL	71,000	71,000
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This appropriation is from the trunk highway fund and includes \$20,000 each year for state involvement in the National Safety Kids campaign, to reduce childhood accidental injury and death resulting from vehicle traffic or related causes.

Sec. 27. VETERANS OF FOR- EIGN WARS	31,000	31,000
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For carrying out the provisions of Laws 1945, chapter 455.

	1990	1991
	\$	\$
Sec. 28. MILITARY ORDER OF THE PURPLE HEART	10,000	10,000
Sec. 29. GENERAL CONTIN- GENT ACCOUNTS	325,000	325,000

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

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

Summary by Fund

Trunk Highway Fund	\$200,000	\$200,000
Highway User Tax Dis- tribution Fund	\$125,000	\$125,000
Sec. 30. TORT CLAIMS	600,000	600,000

To be spent by the commissioner of finance.

This appropriation is from the trunk highway fund.

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

Sec. 31. [SPECIAL GREAT RIVER ROAD ACCOUNT.]

Subdivision 1. [ACCOUNT CREATED.] There is created in the state treasury a special Great River Road account, consisting of money credited under subdivision 2.

Subd. 2. [ACCOUNT FUNDED.] Notwithstanding Minnesota Statutes, section 297B.09 or other law, in the fiscal year ending June 30, 1990, the first \$750,000 that would otherwise be credited to

the highway user tax distribution fund under Minnesota Statutes, section 297B.09, must be set aside and credited to the special Great River Road account created in subdivision 1.

Subd. 3. [DISTRIBUTION OF ACCOUNT.] The commissioner shall distribute money in the special Great River Road account and provide for distribution of money in the fund for the development of the Great River Road established under Minnesota Statutes, section 161.142. In providing assistance to any political subdivision, the commissioner shall follow the general policy of the Mississippi River parkway commission and shall give principal consideration on how the project would promote public safety, recreation, travel, trade, and the general welfare of the state. Priority should be given to new construction of the Great River Road system, to projects that provide local or federal matching assistance, and to projects for which highway user tax distribution funds are not available.

Subd. 4. [TERMINATION OF ACCOUNT.] The account created in subdivision 1, expires June 30, 1991. The state treasurer shall credit all undistributed money in the account on that date to the highway user tax distribution fund.

Subd. 5. [REPEALER.] This section is repealed effective July 1, 1991.

Sec. 32. [CONSTRUCTION OF EXIT ON TH. 65.]

The commissioner of transportation shall construct by January 1, 1990, an exit from marked trunk highway No. 65 in Anoka county, within one-fourth mile of the intersection of the highway with marked trunk highway No. 242 and Anoka county highway No. 14, under the following conditions:

(1) the exit has been studied and approved for safety purposes by a qualified consultant;

(2) the exit must be constructed to state standards;

(3) the cost of the project must be paid by Anoka county; and

(4) the exit will be removed at no cost to the state if necessitated by a reconstruction of the intersection of marked trunk highway No. 65 with marked trunk highway No. 242 and Anoka county highway No. 14.

Sec. 33. [EXCHANGE OF INTERESTS IN LANDS.]

(a) The commissioner of transportation shall convey to the regional railroad authority of St. Louis and Lake counties a 25-foot wide easement for railroad purposes lying generally southerly and

southeasterly of the northbound lane of marked interstate highway 35 between 10th Avenue West and 5th Avenue East in Duluth. The easement must include two spur lines in the vicinity of the Duluth steam plant and a crossover connection, approximately 1,000 feet in length, in the vicinity of 9th Avenue West. This crossover connection is intended to allow a reconnection of railroad track with the Lake Superior Museum of Transportation. The commissioner shall also convey easements necessary to provide a continuous 25-foot wide easement for railroad purposes lying generally southeasterly and easterly of the northbound lane of marked interstate highway 35 between 14th Avenue East and 26th Avenue East in Duluth. The commissioner of transportation shall maintain a temporary construction easement as required to complete the marked interstate highway 35 extension, provided the easement does not interfere with operation of the railroad after June 1, 1990.

As consideration, the St. Louis and Lake counties regional railroad authority shall grant to either the department of transportation or the department of natural resources an option to establish an easement for a multiuse recreation trail along the regional rail authority-owned railway right-of-way between the municipalities of Duluth and Two Harbors. This easement must begin at a point east of the Lester River (Milepost 8) and shall continue to the Two Harbors Depot (Milepost 26.5).

The conveyances of the exchanged properties must be in a form approved by the attorney general. The regional rail authority and commissioner of transportation shall provide complete and accurate property descriptions of the lands to be exchanged.

The rail authority retains the right to determine where on their right-of-way this easement may be granted and may impose restrictions or alterations if it determines that the recreational trail interferes with the operation of the railroad right-of-way or any of its revenue-related uses.

This easement is conveyed exclusively to the regional railroad authority and is terminated if the line is abandoned.

(b) This section is effective the day following final enactment.

Sec. 34. [COMMISSIONER TO ACT AS AGENT.]

The commissioner of transportation shall act as agent for the Bois Fort Indian Reservation in the use of federal demonstration funds and state matching funds for the design and construction of a proposed highway project in the Lake Vermillion Indian Reservation Recreational Complex as authorized in the Surface Transportation and Uniform Relocation Assistance Act of 1987, Public Law Number 100-17.

Sec. 35. [REPORT ON CERTAIN SPECIAL TRANSPORTATION SERVICES.]

Subdivision 1. [SUBJECT.] The commissioner of the state planning agency shall report to the legislature, by January 1, 1990, on: (1) providing special transportation services in the metropolitan area for persons traveling on a regular basis, using standing orders or guaranteed trip requests, to or from public or private human services agencies or jobs and training agencies that generate a large number of such trip requests; and (2) related issues as the commissioner deems appropriate.

Subd. 2. [RECOMMENDATIONS.] The report shall include recommendations on:

(1) a service plan that describes a method or methods of providing the services and an estimate of costs for the services;

(2) the appropriate responsibility of governmental and other agencies and programs for planning, arranging, providing, and financing the services;

(3) the sources and amounts of public or other funding available for the services, apart from the funds available to the regional transit board, and a method or methods of providing the public or other funding required to subsidize the services; and

(4) an adequate and coordinated program to train persons to use regular route transit.

Subd. 3. [COMMUNITY INVOLVEMENT.] The commissioner shall actively involve interested parties in this process, including but not limited to:

(1) members of the transportation handicapped advisory committee;

(2) representatives of the department of human services;

(3) members of the transit providers advisory committee;

(4) representatives of nonprofit transit and social service providers;

(5) organizations representing the elderly, handicapped, and disabled communities; and

(6) interested members of the general public.

Sec. 36. Minnesota Statutes 1988, section 12.14, is amended to read:

12.14 [ASSESSMENT FOR NUCLEAR SAFETY PREPAREDNESS ACT.]

Any person, firm, corporation, or association in the business of owning or operating a nuclear fission electrical generating plant located in Minnesota, shall pay an assessment to cover the cost of nuclear power plant emergency response plans and other programs necessary to deal with incidents resulting from the operation of nuclear fission electrical generating plants. An assessment of ~~\$137,500~~ \$177,500 per plant shall be paid to the commissioner of public safety on July 1 of each year.

Sec. 37. Minnesota Statutes 1988, section 41A.09, is amended to read:

41A.09 [ETHANOL DEVELOPMENT FUND.]

Subdivision 1. ~~[FUND CREATED APPROPRIATION.]~~ An ethanol development fund is created as a separate fund in the state treasury. The department of revenue shall administer the fund. The fund A sum sufficient to make the payments required by this section is annually appropriated from the general fund to the commissioner of revenue for the purposes of this section and all money so appropriated is available until expended.

Subd. 2. [DEFINITION.] For purposes of this section "ethanol" means agriculturally derived fermentation ethyl alcohol of a purity of at least 99 percent, determined without regard to any added denaturants, denatured in conformity with one of the approved methods set forth by the United States Department of Treasury, Bureau of Alcohol, Tobacco and Firearms, and derived from the following agricultural products: potatoes, cereal, grains, cheese whey, or sugar beets.

Subd. 3. [PAYMENTS FROM FUND.] The commissioner of revenue shall make cash payments ~~from the development fund~~ to producers of ethanol or agricultural grade alcohol, for use as a motor fuel, located in the state. The amount of the payment for each producer's annual production shall be as follows:

(a) For each gallon of ethanol produced:

(1) For the period beginning July 1, 1986, and ending June 30, 1987, 15 cents per gallon;

(2) For the period beginning July 1, 1987, and ending June 30, 2000, 20 cents per gallon.

(b) For each gallon produced of agricultural grade alcohol of a purity of at least 50 percent but not more than 90 percent and designed to be used in conjunction with diesel fuel in an engine's internal combustion process, for the period beginning July 1, 1987, and ending June 30, 2000, 11 cents per gallon.

The total payments from the fund to all producers may not exceed \$200,000 during the period beginning July 1, 1986, and ending June 30, 1987, and may not exceed \$10,000,000 in any fiscal year during the period beginning July 1, 1987, and ending June 30, 2000. Total payments to any producer from the fund in any fiscal year may not exceed \$3,000,000.

By the last day of October, January, April, and July, each producer shall file a claim for payment for production during the preceding three calendar months. The volume of production must be verified by a certified financial audit performed by an independent certified public accountant using generally accepted accounting procedures.

Payments shall be made November 15, February 15, May 15, and August 15.

Subd. 4. [RULEMAKING AUTHORITY.] The commissioner shall adopt emergency and permanent rules to implement this section.

Subd. 5. [EXPIRATION.] This section expires July 1, 2000, and all money in the fund the unobligated balance of each appropriation under this section on that date reverts to the general fund.

Subd. 6. [CONTINUED PAYMENTS.] A plant in production or under construction by January 1, 1990, shall continue to receive uninterrupted payments under subdivision 3 of at least 20 cents per gallon of ethanol produced until July 1, 2000.

Sec. 38. Minnesota Statutes 1988, section 43A.08, subdivision 1, is amended to read:

Subdivision 1. [UNCLASSIFIED POSITIONS.] Unclassified positions are held by employees who are:

(a) chosen by election or appointed to fill an elective office;

(b) heads of agencies required by law to be appointed by the governor or other elective officers, and the executive or administrative heads of departments, bureaus, divisions, and institutions specifically established by law in the unclassified service;

(c) deputy and assistant agency heads and one confidential secretary in the agencies listed in subdivision 1a;

(d) the confidential secretary to each of the elective officers of this state and, for the secretary of state, state auditor, and state treasurer, an additional deputy, clerk, or employee;

(e) intermittent help employed by the commissioner of public safety to assist in the issuance of vehicle licenses;

(f) employees in the offices of the governor and of the lieutenant governor and one confidential employee for the governor in the office of the adjutant general;

(g) employees of the Washington, D.C., office of the state of Minnesota;

(h) employees of the legislature and of legislative committees or commissions; provided that employees of the legislative audit commission, except for the legislative auditor, the deputy legislative auditors, and their confidential secretaries, shall be employees in the classified service;

(i) presidents, vice-presidents, deans, other managers and professionals in academic and academic support programs, administrative or service faculty, teachers, research assistants, and student employees eligible under terms of the federal economic opportunity act work study program in the school and resource center for the arts, state universities and community colleges, but not the custodial, clerical, or maintenance employees, or any professional or managerial employee performing duties in connection with the business administration of these institutions;

(j) officers and enlisted persons in the national guard;

(k) attorneys, legal assistants, examiners, and three confidential employees appointed by the attorney general or employed with the attorney general's authorization;

(l) judges and all employees of the judicial branch, referees, receivers, jurors, and notaries public, except referees and adjusters employed by the department of labor and industry;

(m) members of the state patrol; provided that selection and appointment of state patrol troopers shall be made in accordance with applicable laws governing the classified service;

(n) chaplains employed by the state;

(o) examination monitors and intermittent training instructors employed by the departments of employee relations and commerce and by professional examining boards;

(p) student workers; and

(q) one position in the hazardous substance notification and response activity in the department of public safety; and

(r) employees unclassified pursuant to other statutory authority.

Sec. 39. Minnesota Statutes 1988, section 168.123, subdivision 2, is amended to read:

Subd. 2. [DESIGN.] The commissioner of veterans affairs shall design the special plates, subject to the approval of the registrar, that satisfy the following requirements:

(a) For a Vietnam veteran who served after July 1, 1961, and before July 1, 1978, the special plates must bear the inscription "VIETNAM VET" and the letters "V" and "V" with the first letter directly above the second letter and both letters just preceding the first numeral of the special license plate number.

(b) For a veteran stationed on the island of Oahu, Hawaii, or offshore, during the attack on Pearl Harbor on December 7, 1941, the special plates must bear the inscription "PEARL HARBOR SURVIVOR" and the letters "P" and "H" with the first letter directly above the second letter and both letters just preceding the first numeral of the special license plate number.

(c) For a veteran who served during World War I or World War II, the special plates must bear the inscription "WORLD WAR VET" and:

(1) for a World War I veteran, the characters "W" and "I" with the first character directly above the second character and both characters just preceding the first numeral of the special license plate number; or

(2) for a World War II veteran, the characters "W" and "II" with the first character directly above the second character and both characters just preceding the first numeral of the special license plate number.

(d) For a veteran who served during the Korean Conflict, the special plates must bear the inscription "KOREAN VET" and the letters "K" and "V" with the first letter directly above the second letter and both letters just preceding the first numeral of the special license plate number.

(e) For a combat wounded veteran who is a recipient of the purple heart medal, the special plates must bear the inscription "COMBAT WOUNDED VET" and inscribed with a facsimile of the official

purple heart medal and the letters "c" over "w" with the first letter directly over the second letter just preceding the first numeral of the special license plate number.

Sec. 40. Minnesota Statutes 1988, section 168.33, subdivision 2, is amended to read:

Subd. 2. [POWERS.] The registrar shall have the power to appoint, hire and discharge and fix the compensation of the necessary employees, in the manner provided by law, as may be required to enable the registrar to properly carry out the duties imposed by the provisions of this chapter. As of April 14, 1976, the registrar may appoint, and for cause discontinue, a deputy registrar for any city as the public interest and convenience may require, without regard to whether the county auditor of the county in which the city is situated has been appointed as the deputy registrar for the county or has been discontinued as the deputy registrar for the county, and without regard to whether the county in which the city is situated has established a county license bureau which issues motor vehicle licenses as provided in section 373.32.

Effective August 1, 1976, the registrar may appoint, and for cause discontinue, a deputy registrar for any city as the public interest and convenience may require, if the auditor for the county in which the city is situated chooses not to accept appointment as the deputy registrar for the county or is discontinued as a deputy registrar, or if the county in which the city is situated has not established a county license bureau which issues motor vehicle license as provided in section 373.32. Any person appointed by the registrar as a deputy registrar for any city shall be a resident of the county in which the city is situated.

The registrar may appoint, and for cause discontinue, the county auditor of each county as a deputy registrar. Upon approval of the county board, the auditor, with the approval of the director of motor vehicles, may appoint, and for cause discontinue, the clerk or equivalent officer of each city or any other person as a deputy registrar as public interest and convenience may require, regardless of the appointee's county of residence. Notwithstanding any other provision, a person other than a county auditor or a director of a county license bureau, who was appointed by the registrar before August 1, 1976, as a deputy registrar for any city, may continue to serve as deputy registrar and may be discontinued for cause only by the registrar. The county auditor who appointed the deputy registrars shall be responsible for the acts of deputy registrars appointed by the auditor. Each such deputy, before entering upon the discharge of duties, shall take and subscribe an oath to faithfully discharge the duties and to uphold the laws of the state. If a deputy registrar appointed hereunder is not an officer or employee of a county or city, such deputy shall in addition give bond to the state in the sum of \$10,000, or such larger sum as may be required by the registrar,

conditioned upon the faithful discharge of duties as deputy registrar. A corporation governed by chapter 302A may be appointed a deputy registrar. Upon application by an individual serving as a deputy registrar and the giving of the requisite bond as provided in subdivision 2, personally assured by the individual or another individual approved by the commissioner of public safety, a corporation named in an application shall become the duly appointed and qualified successor to the deputy registrar. Each deputy registrar appointed hereunder shall keep and maintain, in a convenient public place within or in close proximity to the place for which appointed, a registration and motor vehicle tax collection bureau, to be approved by the registrar, for the registration of motor vehicles and the collection of motor vehicle taxes thereon. The deputy registrar shall keep such records and make such reports to the registrar as that officer, from time to time, may require. Such records shall be maintained at the facility of the deputy registrar. The records and facilities of the deputy registrar shall at all times be open to the inspection of the registrar or the registrar's agents. The deputy registrar shall report to the registrar by the next working day following receipt all registrations made and taxes and fees collected by the deputy registrar. The filing fee imposed pursuant to subdivision 7 shall be deposited in the treasury of the place for which appointed, or if not a public official, such deputy shall retain the filing fee, but the registration tax and any additional fees for delayed registration the deputy registrar has collected the deputy registrar shall deposit by the next working day following receipt in an approved state depository to the credit of the state through the state treasurer. The place for which the deputy registrar is appointed through its governing body shall provide the deputy registrar with facilities and personnel to carry out the duties imposed by this subdivision if such deputy is a public official. In all other cases, the deputy shall maintain a suitable facility for serving the public.

Sec. 41. Minnesota Statutes 1988, section 168.33, subdivision 7, is amended to read:

Subd. 7. [FEES.] In addition to all other statutory fees and taxes, a filing fee of ~~\$3.25~~ \$3.50 is imposed on every application; except that a filing fee may not be charged for a document returned for a refund or for a correction of an error made by the department or a deputy registrar. The filing fee shall be shown as a separate item on all registration renewal notices sent out by the department of public safety. No filing fee or other fee may be charged for the permanent surrender of a certificate of title and license plates for a motor vehicle.

Sec. 42. Minnesota Statutes 1988, section 173.25, is amended to read:

173.25 [AVAILABILITY OF FEDERAL AID.]

The commissioner of transportation shall not expend money for the acquisition of advertising devices controlled under this chapter, except those for which acquisition proceedings were begun before June 8, 1979 or for which federal money has been appropriated by Congress and the federal share has been made available to the commissioner. No advertising device legal under Laws 1971, chapter 883, shall be required to be removed or relocated until payment as provided in Laws 1971, chapter 883, is tendered by the commissioner of transportation. No further state funds shall be used for any existing or proposed acquisitions other than those funds necessary to obtain full federal participation in the acquisition proceeding pursuant to United States Code, title 23, "Highways."

Sec. 43. Minnesota Statutes 1988, section 237.30, is amended to read:

237.30 [TELEPHONE INVESTIGATION REVOLVING FUND.]

The sum of \$25,000 is hereby appropriated out of any moneys in the state treasury not otherwise appropriated, to establish and provide a revolving fund to be known as the Minnesota Telephone Investigation Fund for the use of the department of public service and of the attorney general in investigations, valuations, and revaluations under section 237.295. All sums paid by the telephone companies to reimburse the department of public service for its expenses pursuant to section 237.295 shall be credited to the revolving fund and shall be deposited in a separate bank account and not commingled with any other state funds or moneys, but any balance in excess of \$25,000 in the revolving fund at the end of each fiscal year shall be paid into the state treasury and credited to the general fund. The sum of \$25,000 herein appropriated and all subsequent credits to said revolving fund shall be paid upon the warrant of the commissioner of finance upon application of the department or of the attorney general to an aggregate amount of not more than one-half of such sums to each of them, which proportion shall be constantly maintained in all credits and withdrawals from the revolving fund.

Sec. 44. [299C.23] [CONTINUING EDUCATION FEES.]

The commissioner of public safety may charge tuition to cover the cost of continuing education courses provided by the bureau of criminal apprehension when money available to the commissioner for this purpose is not adequate to pay these costs. The tuition fees collected are appropriated to the commissioner.

Sec. 45. Minnesota Statutes 1988, section 341.10, is amended to read:

341.10 [LICENSE FEES.]

The board shall have authority to collect and require the payment of a license fee in an amount set by the board from the owners of franchises or licenses. Notwithstanding section 16A.128, subdivision 1a, the fee is not subject to approval by the commissioner of finance and need not recover all costs. The board shall require the payment of the fee at the time of the issuance of the license or franchise to the owner. The moneys so derived shall be collected by the board and paid to the state treasurer. The board shall have authority to license all boxers, managers, seconds, referees and judges and may require them to pay a license fee. All moneys collected by the board from such licenses shall be paid to the state treasurer.

Sec. 46. Minnesota Statutes 1988, section 373.35, subdivision 1, is amended to read:

Subdivision 1. The county auditor shall serve as the director of the county license bureau or, if the auditor chooses not to serve, the county board shall appoint any other county officer or employee, or any other person, to serve as the director upon the terms and conditions the county board deems advisable. The county board shall set the compensation of the director and may provide for the expenses of the office including the premium of any bond required to be furnished by the director. The director shall have the powers and duties imposed on the county officer who previously had the authority to issue or process the application for any license referred to in section 373.32.

Notwithstanding section 168.33, subdivision 2, the commissioner of public safety may appoint, and for cause discontinue, the director as the deputy registrar of motor vehicles in the county. If appointed a deputy registrar the director shall have the same authority as a county auditor to appoint one or more deputy registrars as provided in section 168.33, subdivision 2. If the director is a deputy registrar, all provisions of section 168.33 and Minnesota Rules, chapter 7406, apply to a county license bureau.

Sec. 47. Minnesota Statutes 1988, section 473.384, subdivision 7, is amended to read:

Subd. 7. [MTC IMPACT ASSESSMENT.] Prior to entering into a contract for operating assistance with a recipient other than the transit commission the board shall evaluate the effect, if any, of the contract on the ridership, routes, schedules, fares, and staffing levels of the existing and proposed service provided by the commission. A copy of the assessment must be provided to the commission. The board may enter into the contract only if it determines that the service to be assisted under the contract will not impose an undue hardship on the ridership or financial condition of the commission, ~~or cause the dismissal of persons that are employed by the commission.~~ The requirements of this subdivision do not apply to contracts

for assistance to recipients who, as part of a negotiated cost-sharing arrangement with the board, pay a substantial part of the cost of services that directly benefit the recipient as an institution or organization.

Sec. 48. Minnesota Statutes 1988, section 473.386, subdivision 4, is amended to read:

Subd. 4. [COORDINATION REQUIRED.] The board may not grant any financial assistance to any recipient that proposes to use any part of the grant to provide special transportation service in the metropolitan area unless the program is coordinated with the board's special transportation service in the manner determined by the board. The board is not required to provide funding for transportation services from a residence to a service site and home again when the services are used by individuals in conjunction with their participation in human service developmental achievement center programs in which transportation to and from the program is a required and funded component of those programs.

Sec. 49. Minnesota Statutes 1988, section 505.1792, subdivision 1, is amended to read:

Subdivision 1. In order to give supplemental information to the public as to the location of streets, county roads, county state-aid highways, and town roads, and other transportation corridors, and the right of way thereof, the governing body of any city, town, or county may file for record in the office of the county recorder and the registrar of titles of said county such maps or plats showing such information as the governing body shall determine necessary. The map or plat shall be subscribed by the mayor or chair of the governing body and the county surveyor, together with a certified copy of the resolution of the governing body setting forth the necessity for said plat; and shall be entitled to record without compliance with the provisions of this chapter. Any amendments, alterations, or vacations of such maps or plats so filed may be entitled to record in like manner.

Sec. 50. [APPLICABILITY.]

Section 48 is effective January 1, 1990, in the counties of Anoka, Carver, Dakota, Hennepin, Ramsey, Scott, and Washington."

Delete the title and insert:

"A bill for an act relating to the organization and operation of state government; appropriating money for the department of transportation and other agencies with certain conditions; providing for regulation of certain activities and practices; providing for certain rights-of-way; requiring studies and reports; fixing and limiting

accounts and fees; amending Minnesota Statutes 1988, sections 12.14; 41A.09; 43A.08, subdivision 1; 168.123, subdivision 2; 168.33, subdivisions 2 and 7; 173.25; 237.30; 341.10; 373.35, subdivision 1; 473.384, subdivision 7; 473.386, subdivision 4; and 505.1792, subdivision 1; proposing coding for new law in Minnesota Statutes, chapter 299C."

We request adoption of this report and repassage of the bill.

Senate Conferees: KEITH LANGSETH, CLARENCE M. PURFEERST, JAMES P. METZEN, LYLE G. MEHRKENS AND CHARLES A. BERG.

House Conferees: JAMES I. RICE, BERNARD L. LIEDER, HENRY J. KALIS, JOHN J. SARNA AND VIRGIL J. JOHNSON.

Rice moved that the report of the Conference Committee on S. F. No. 1618 be adopted and that the bill be repassed as amended by the Conference Committee. The motion prevailed.

The Speaker called Rodosovich to the Chair.

S. F. No. 1618, A bill for an act relating to the organization and operation of state government; appropriating money for the department of transportation and other agencies with certain conditions; providing for regulation of certain activities and practices; requiring studies and reports; fixing and limiting fees; amending Minnesota Statutes 1988, sections 12.14; 41A.09; 43A.08, subdivision 1; 237.30; 341.10; 473.384, subdivision 7; and 473.386, subdivision 4; proposing coding for new law in Minnesota Statutes, chapter 299C.

The bill was read for the third time, as amended by Conference, and placed upon its repassage.

The question was taken on the repassage of the bill and the roll was called. There were 130 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Abrams	Boo	Dawkins	Gutknecht	Jaros
Anderson, G.	Brown	Dempsey	Hartle	Jefferson
Battaglia	Burger	Dille	Hasskamp	Jennings
Bauerly	Carlson, D.	Dorn	Haukoos	Johnson, A.
Beard	Carlson, L.	Forsythe	Heap	Johnson, R.
Begich	Carruthers	Frederick	Henry	Johnson, V.
Bennett	Clark	Frerichs	Himle	Kahn
Bertram	Conway	Girard	Hugoson	Kalis
Bishop	Cooper	Greenfield	Jacobs	Kelly
Blatz	Dauner	Gruenes	Janezich	Kelso

Kinkel	Miller	Ozment	Rukavina	Tjornhom
Knickerbocker	Morrison	Pappas	Runbeck	Tompkins
Kostohryz	Munger	Pauly	Sarna	Trimble
Lasley	Murphy	Pellow	Schafer	Tunheim
Lieder	Nelson, C.	Pelowski	Scheid	Uphus
Limmer	O'Connor	Peterson	Schreiber	Valento
Long	Ogren	Poppenhagen	Seaberg	Vellenga
Lynch	Olsen, S.	Price	Segal	Wagenius
Macklin	Olson, E.	Pugh	Simoneau	Waltman
Marsh	Olson, K.	Quinn	Skoglund	Weaver
McDonald	Omann	Redalen	Solberg	Welle
McEachern	Onnen	Reding	Sparby	Wenzel
McGuire	Orenstein	Rest	Stanius	Williams
McLaughlin	Osthoff	Rice	Steensma	Winter
McPherson	Ostrom	Richter	Sviggum	Wynia
Milbert	Otis	Rodosovich	Swenson	Spk. Vanasek

The bill was repassed, as amended by Conference, and its title agreed to.

There being no objection, the order of business reverted to Reports of Standing Committees.

REPORTS OF STANDING COMMITTEES

Anderson, G., from the Committee on Appropriations to which was referred:

S. F. No. 1083, A bill for an act relating to the environment; providing an exemption process from the power plant siting requirements for certain generating plants; appropriating money; amending Minnesota Statutes 1988, section 116C.57, by adding a subdivision.

Reported the same back with the recommendation that the bill pass.

The report was adopted.

Anderson, G., from the Committee on Appropriations to which was referred:

S. F. No. 1227, A bill for an act relating to commerce; providing for the regulation of real estate closing agents; prescribing penalties; amending Minnesota Statutes 1988, sections 82.17, subdivisions 7, 9, and 10; 82.18; 82.19, subdivisions 1, 2, 3, and 4, and by adding a subdivision; 82.20, subdivisions 1, 2, 3, 5, 8, 12, and by adding a subdivision; 82.21, subdivision 1; 82.22, subdivisions 1, 5, 6, 10, and 11; 82.23, subdivisions 2 and 3; 82.24, subdivisions 1, 2, 3, 4, 5, and 6; 82.27, subdivisions 1 and 2; 82.30, subdivision 1; 82.31, subdivision 1; 82.33, subdivision 1; 82.34, subdivisions 3, 4, 6, 7, 13, and 14;

and 507.45, subdivision 2; repealing Minnesota Statutes 1988, section 82.34, subdivision 12.

Reported the same back with the following amendments:

Page 5, delete lines 12 to 16 and insert:

"Subd. 6. [CLOSING AGENTS.] A real estate closing agent may not charge a fee for closing services to a borrower, and a borrower may not be required to pay such a fee at settlement, if the fee was not previously disclosed in writing at least one business day before the settlement. This disclosure requirement will be considered satisfied if a disclosure is made or an estimate given under section 507.45."

Page 20, delete section 42 and insert:

"Sec. 42. Minnesota Statutes 1988, section 507.45, subdivision 2, if amended by Laws 1989, chapter 217, section 22, is amended to read:

Subd. 2. No charge for closing services, except a charge disclosed under Regulation Z, Code of Federal Regulations, title 12, section 226, ~~or~~ and except a charge for which an estimate has been given pursuant to the Federal Real Estate Settlement Procedures Act, and regulations thereunder, may be made by a closing agent unless the party to be charged is informed of the charge in writing at least five business days before the closing by or on behalf of the party charging for the closing services."

Renumber the sections in sequence

Correct internal references

Amend the title accordingly

With the recommendation that when so amended the bill pass.

The report was adopted.

Anderson, G., from the Committee on Appropriations to which was referred:

S. F. No. 1242, A bill for an act relating to state government; extending the expiration date on certain advisory councils; increasing the compensation of members of administrative boards and agencies; reducing the maximum compensation of members of advisory councils; eliminating a requirement for appointment of a state employees assistance program advisory committee; amending

Minnesota Statutes 1988, sections 15.0575, subdivision 3; 15.059, subdivisions 3 and 5; and 16B.39, subdivision 2; repealing Minnesota Statutes 1988, sections 84B.11, subdivision 4; 121.83; 174.031, subdivision 2; 256.73, subdivision 7; and 268.12, subdivision 6.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

“Section 1. Minnesota Statutes 1988, section 15.059, subdivision 5; is amended to read:

Subd. 5. [EXPIRATION DATE.] Unless a different date is specified by law, the existence of each advisory council and committee governed by this section shall terminate on June 30, ~~1989~~ 1993.

Sec. 2. [REPEALER.]

Minnesota Statutes 1988, section 84B.11, subdivision 4, is repealed.

Sec. 3. [EFFECTIVE DATE.]

Sections 1 and 2 are effective the day following final enactment.”

Delete the title and insert:

“A bill for an act relating to state government; extending the expiration date on certain advisory councils; amending Minnesota Statutes 1988, section 15.059, subdivision 5; repealing Minnesota Statutes 1988, section 84B.11, subdivision 4.”

With the recommendation that when so amended the bill pass.

The report was adopted.

SECOND READING OF SENATE BILLS

S. F. Nos. 1083, 1227 and 1242 were read for the second time.

SPECIAL ORDERS, Continued

S. F. No. 613, A bill for an act relating to housing; regulating the powers and duties of the housing finance agency; amending Minnesota Statutes 1988, sections 462A.03, subdivision 12; 462A.05, subdivisions 4, 14a, 20, 21, and 27, and by adding subdivisions;

462A.07, subdivision 14, and by adding a subdivision; and 462A.21, subdivisions 4c and 12, and by adding a subdivision.

The bill was read for the third time and placed upon its final passage.

The question was taken on the passage of the bill and the roll was called. There were 127 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Abrams	Frerichs	Limmer	Ostrom	Simoneau
Anderson, G.	Girard	Long	Otis	Skoglund
Battaglia	Greenfield	Lynch	Ozment	Solberg
Bauerly	Gruenes	Macklin	Pappas	Sparby
Beard	Gutknecht	Marsh	Pauly	Stanius
Begich	Hartle	McDonald	Pellow	Steensma
Bennett	Hasskamp	McEachern	Pelowski	Svigum
Bertram	Haukoos	McGuire	Peterson	Swenson
Bishop	Heap	McLaughlin	Poppenhagen	Tjornhom
Blatz	Henry	McPherson	Price	Tompkins
Boo	Himle	Milbert	Pugh	Tunheim
Brown	Hugoson	Miller	Quinn	Uphus
Burger	Jacobs	Morrison	Redalen	Valento
Carlson, D.	Jaros	Munger	Reding	Vellenga
Carlson, L.	Jefferson	Murphy	Rest	Wagenius
Carruthers	Jennings	Nelson, C.	Rice	Waltman
Clark	Johnson, A.	Nelson, K.	Richter	Weaver
Conway	Johnson, R.	O'Connor	Rodosovich	Welle
Cooper	Johnson, V.	Ogren	Rukavina	Wenzel
Dauner	Kalis	Olsen, S.	Runbeck	Williams
Dawkins	Kelly	Olson, E.	Sarna	Winter
Dempsey	Kelso	Olson, K.	Schafer	Wynia
Dille	Knickerbocker	Omann	Scheid	Spk. Vanasek
Dorn	Kostohryz	Onnen	Schreiber	
Forsythe	Krueger	Orenstein	Seaberg	
Frederick	Lieder	Osthoff	Segal	

The bill was passed and its title agreed to.

H. F. No. 618 was reported to the House.

Bertram moved that H. F. No. 618 be temporarily laid over on Special Orders. The motion prevailed.

H. F. No. 871, A bill for an act relating to taxation; allowing a special levy to the cities of Windom and Jackson to meet costs of operating municipal hospitals; amending Minnesota Statutes 1988, section 275.50, subdivision 5, and by adding a subdivision.

The bill was read for the third time and placed upon its final passage.

The question was taken on the passage of the bill and the roll was called. There were 131 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Abrams	Frerichs	Kostohryz	Omann	Scheid
Anderson, G.	Girard	Krueger	Onnen	Schreiber
Battaglia	Greenfield	Lasley	Orenstein	Seaberg
Bauerly	Gruenes	Lieder	Osthoff	Segal
Beard	Gutknecht	Limmer	Ostrom	Simoneau
Begich	Hartle	Long	Otis	Skoglund
Bennett	Hasskamp	Lynch	Ozment	Solberg
Bertram	Haukoos	Macklin	Pappas	Sparby
Bishop	Heap	Marsh	Pauly	Stanius
Blatz	Henry	McDonald	Pellow	Steenasma
Boo	Himle	McEachern	Pelowski	Sviggum
Brown	Hugoson	McGuire	Peterson	Swenson
Burger	Jacobs	McLaughlin	Poppenhagen	Tjornhom
Carlson, D.	Janezich	McPherson	Price	Tompkins
Carlson, L.	Jaros	Milbert	Pugh	Trimble
Carruthers	Jefferson	Miller	Quinn	Tunheim
Clark	Jennings	Morrison	Redalen	Uphus
Conway	Johnson, A.	Munger	Reding	Valento
Cooper	Johnson, R.	Murphy	Rest	Vellenga
Dauner	Johnson, V.	Nelson, C.	Rice	Wagenius
Dawkins	Kahn	Nelson, K.	Richter	Waltman
Dempsey	Kalis	O'Connor	Rodosovich	Weaver
Dille	Kelly	Ogren	Rukavina	Welle
Dorn	Kelso	Olsen, S.	Runbeck	Wenzel
Forsythe	Kinkel	Olson, E.	Sarna	Williams
Frederick	Knickerbocker	Olson, K.	Schafer	Winter
				Spk. Vanasek

The bill was passed and its title agreed to.

Speaker pro tempore Rodosovich called Rest to the Chair.

H. F. No. 782 was reported to the House.

Tunheim moved that H. F. No. 782 be continued on Special Orders. The motion prevailed.

H. F. No. 1194, A bill for an act relating to insurance; requiring obligors to issue an insurance identification card; requiring a driver or owner to produce an insurance identification card, policy, or written statement; providing for administrative review; exempting certain vehicles; providing for the impoundment of registration plates; providing for a limited license in certain circumstances; defining terms; providing penalties; amending Minnesota Statutes 1988, sections 65B.67, subdivisions 2 and 4; 168.041, subdivisions 4, 4a, and by adding a subdivision; 169.09, subdivision 14; and 171.30, subdivision 1; proposing coding for new law in Minnesota Statutes, chapters 65B and 169; repealing Minnesota Statutes 1988, section 65B.481.

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	Girard	Lasley	Osthoff	Simoneau
Anderson, G.	Greenfield	Lieder	Ostrom	Skoglund
Battaglia	Gruenes	Limmer	Otis	Solberg
Bauerly	Gutknecht	Long	Ozment	Sparby
Beard	Hartle	Lynch	Pappas	Stanius
Begich	Hasskamp	Macklin	Pauly	Steensma
Bennett	Haukoos	Marsh	Pellow	Sviggum
Bertram	Heap	McDonald	Pelowski	Swenson
Bishop	Henry	McEachern	Peterson	Tjornhom
Blatz	Himle	McGuire	Poppenhagen	Tompkins
Boo	Hugoson	McLaughlin	Price	Trimble
Brown	Jacobs	McPherson	Pugh	Tunheim
Burger	Janezich	Milbert	Quinn	Uphus
Carlson, D.	Jaros	Miller	Redalen	Valento
Carlson, L.	Jefferson	Morrison	Reding	Vellenga
Carruthers	Jennings	Munger	Rest	Wagenius
Clark	Johnson, A.	Murphy	Rice	Waltman
Conway	Johnson, R.	Nelson, C.	Richter	Weaver
Cooper	Johnson, V.	Nelson, K.	Rodosovich	Welle
Dauner	Kahn	O'Connor	Rukavina	Wenzel
Dawkins	Kalis	Ogren	Runbeck	Williams
Dempsey	Kelly	Olsen, S.	Sarna	Winter
Dille	Kelso	Olson, E.	Schafer	Wynia
Dorn	Kinkel	Olson, K.	Scheid	Spk. Vanasek
Forsythe	Knickerbocker	Omann	Schreiber	
Frederick	Kostohryz	Onnen	Seaberg	
Frerichs	Krueger	Orenstein	Segal	

The bill was passed and its title agreed to.

S. F. No. 481, A bill for an act relating to state government; financing the beginning farmer loan program; regulating certain administrative duties of the commissioner of finance; permitting certain financial arrangements; amending Minnesota Statutes 1988, sections 16A.065; 16A.27, subdivision 5; 16A.58; 16A.631; 16A.641, subdivision 7; 16A.661, subdivision 7; 16A.85, subdivisions 1 and 3; 41B.19, subdivision 5; 41B.195; 115A.58, subdivisions 1, 3, 4, and 5; 115A.59; 116.16, subdivisions 1, 2, 3, 4, 5, and 9; 116.17, subdivisions 1, 3, and 5; 116.18, subdivisions 1, 4, 5, and 6; 124.42, subdivision 3; 136C.44; 216C.37, subdivision 6; 246.50, subdivision 5; 246.64, subdivision 1; and Laws 1987, chapter 396, article 12, section 10; repealing Minnesota Statutes 1988, sections 84B.08; 85A.04, subdivision 2; 115A.57; 136C.42; 136C.43, subdivisions 1, 2, 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 130 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Abrams	Ferichs	Krueger	Onnen	Schreiber
Anderson, G.	Girard	Lasley	Orenstein	Seaberg
Battaglia	Greenfield	Lieder	Osthoff	Segal
Bauerly	Gruenes	Limmer	Ostrom	Simoneau
Beard	Gutknecht	Long	Otis	Skoglund
Begich	Hasskamp	Lynch	Ozment	Solberg
Bennett	Haukoos	Macklin	Pappas	Sparby
Bertram	Heap	Marsh	Pauly	Stanius
Bishop	Henry	McDonald	Pellow	Steenasma
Blatz	Himle	McEachern	Pelowski	Sviggum
Boo	Hugoson	McGuire	Peterson	Swenson
Brown	Jacobs	McLaughlin	Poppenhagen	Tjornhom
Burger	Janezich	McPherson	Price	Tompkins
Carlson, D.	Jaros	Milbert	Pugh	Trimble
Carlson, L.	Jefferson	Miller	Quinn	Tunheim
Carruthers	Jennings	Morrison	Redalen	Uphus
Clark	Johnson, A.	Munger	Reding	Valento
Conway	Johnson, R.	Murphy	Rest	Vellenga
Cooper	Johnson, V.	Nelson, C.	Rice	Wagenius
Dauner	Kahn	Nelson, K.	Richter	Waltman
Dawkins	Kalis	O'Connor	Rodosovich	Welle
Dempsey	Kelly	Ogren	Rukavina	Wenzel
Dille	Kelso	Olsen, S.	Rumbeck	Williams
Dorn	Kinkel	Olson, E.	Sarna	Winter
Forsythe	Knickerbocker	Olson, K.	Schafer	Wynia
Frederick	Kostohryz	Omann	Scheid	Spk. Vanasek

The bill was passed and its title agreed to.

S. F. No. 809 was reported to the House.

Stanius moved to amend S. F. No. 809, as follows:

Page 3, line 3, after "consistent" delete ", deliberate"

Page 3, line 9, after "care" insert a comma

The motion prevailed and the amendment was adopted.

S. F. No. 809, A bill for an act relating to juveniles; including emotionally abused children among children in need of protection or services; amending Minnesota Statutes 1988, section 260.015, subdivision 2a, and by adding a subdivision.

The bill was read for the third time, as amended, and placed upon its final passage.

The question was taken on the passage of the bill and the roll was called. There were 131 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Abrams	Frerichs	Kostohryz	Omamm	Scheid
Anderson, G.	Girard	Krueger	Onnen	Schreiber
Battaglia	Greenfield	Lasley	Orenstein	Seaberg
Bauerly	Gruenes	Lieder	Osthoff	Segal
Beard	Gutknecht	Limmer	Ostrom	Simoneau
Begich	Hartle	Long	Otis	Skoglund
Bennett	Hasskamp	Lynch	Ozment	Sparby
Bertram	Haukoos	Macklin	Pappas	Stanius
Bishop	Heap	Marsh	Pauly	Steensma
Blatz	Henry	McDonald	Pellow	Sviggum
Boo	Himle	McEachern	Pelowski	Swenson
Brown	Hugoson	McGuire	Peterson	Tjornhom
Burger	Jacobs	McLaughlin	Poppenhagen	Tompkins
Carlson, D.	Janezich	McPherson	Price	Trimble
Carlson, L.	Jaros	Milbert	Pugh	Tunheim
Carruthers	Jefferson	Miller	Quinn	Uphus
Clark	Jennings	Morrison	Redalen	Valento
Conway	Johnson, A.	Munger	Reding	Vellenga
Cooper	Johnson, R.	Murphy	Rest	Wagenius
Dauner	Johnson, V.	Nelson, C.	Rice	Waltman
Dawkins	Kahn	Nelson, K.	Richter	Weaver
Dempsey	Kalis	O'Connor	Rodosovich	Welle
Dille	Kelly	Ogren	Rukavina	Wenzel
Dorn	Kelso	Olsen, S.	Runbeck	Williams
Forsythe	Kinkel	Olson, E.	Sarna	Winter
Frederick	Knickerbocker	Olson, K.	Schafer	Wynia
				Spk. Vanasek

The bill was passed, as amended, and its title agreed to.

Speaker pro tempore Rest called Rodosovich to the Chair.

H. F. No. 618 which was temporarily laid over earlier today was again reported to the House.

H. F. No. 618, A bill for an act relating to corrections; requiring the commissioner of corrections to make high school diploma equivalency programs available to inmates; providing a reduction in an inmate's supervised release term if the inmate completes such a program; amending Minnesota Statutes 1988, sections 244.03; and 244.05, subdivision 1, and by adding a subdivision.

The bill was read for the third time and placed upon its final passage.

The question was taken on the passage of the bill and the roll was called. There were 131 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Abrams	Bauerly	Bennett	Blatz	Burger
Anderson, G.	Beard	Bertram	Boo	Carlson, D.
Battaglia	Begich	Bishop	Brown	Carlson, L.

Carruthers	Jacobs	McEachern	Pappas	Simoneau
Clark	Janezich	McGuire	Pauly	Skoglund
Conway	Jaros	McLaughlin	Pellow	Solberg
Cooper	Jefferson	McPherson	Pelowski	Sparby
Dauner	Jennings	Milbert	Peterson	Stanius
Dawkins	Johnson, A.	Miller	Poppenhagen	Steensma
Dempsey	Johnson, R.	Morrison	Price	Swiggum
Dille	Johnson, V.	Munger	Pugh	Swenson
Dorn	Kahn	Murphy	Quinn	Tjornhom
Forsythe	Kalis	Nelson, C.	Redalen	Tompkins
Frederick	Kelly	Nelson, K.	Reding	Trimble
Frerichs	Kelso	O'Connor	Rest	Tunheim
Girard	Kinkel	Ogren	Rice	Uphus
Greenfield	Knickerbocker	Olsen, S.	Richter	Valento
Gruenes	Kostohryz	Olson, E.	Rodosovich	Vellenga
Gutknecht	Lasley	Olson, K.	Rukavina	Wagenius
Hartle	Lieder	Omann	Runbeck	Waltman
Hasskamp	Limmer	Onnen	Sarna	Weaver
Haukoos	Long	Orenstein	Schafer	Welle
Heap	Lynch	Osthoff	Scheid	Wenzel
Henry	Macklin	Ostrom	Schreiber	Williams
Himle	Marsh	Otis	Seaberg	Winter
Hugoson	McDonald	Ozment	Segal	Wynia
				Spk. Vanasek

The bill was passed and its title agreed to.

S. F. No. 499, A bill for an act relating to transportation; specifying that state airports fund money may be used as state's match of costs of the federal essential air services program; establishing registration classification for recreational aircraft; amending Minnesota Statutes 1988, sections 360.305, subdivision 2; and 360.55, by adding a subdivision.

The bill was read for the third time and placed upon its final passage.

The question was taken on the passage of the bill and the roll was called. There were 131 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Abrams	Cooper	Himle	Lasley	O'Connor
Anderson, G.	Dauner	Hugoson	Lieder	Ogren
Battaglia	Dawkins	Jacobs	Limmer	Olsen, S.
Bauerly	Dempsey	Janezich	Lynch	Olson, E.
Beard	Dille	Jaros	Macklin	Olson, K.
Begich	Dorn	Jefferson	Marsh	Omann
Bennett	Forsythe	Jennings	McDonald	Onnen
Bertram	Frederick	Johnson, A.	McEachern	Orenstein
Bishop	Frerichs	Johnson, R.	McGuire	Osthoff
Blatz	Girard	Johnson, V.	McLaughlin	Ostrom
Boo	Greenfield	Kahn	McPherson	Otis
Brown	Gruenes	Kalis	Milbert	Ozment
Burger	Gutknecht	Kelly	Miller	Pappas
Carlson, D.	Hartle	Kelso	Morrison	Pauly
Carlson, L.	Hasskamp	Kinkel	Munger	Pellow
Carruthers	Haukoos	Knickerbocker	Murphy	Pelowski
Clark	Heap	Kostohryz	Nelson, C.	Peterson
Conway	Henry	Krueger	Nelson, K.	Poppenhagen

Price	Rukavina	Skoglund	Trimble	Wenzel
Pugh	Runbeck	Solberg	Tunheim	Williams
Quinn	Sarna	Sparby	Uphus	Winter
Redalen	Schafer	Stanius	Valento	Wynia
Reding	Scheid	Steensma	Vellenga	Spk. Vanasek
Rest	Schreiber	Sviggum	Wagenius	
Rice	Seaberg	Swenson	Waltman	
Richter	Segal	Tjornhom	Weaver	
Rodosovich	Simoneau	Tompkins	Welle	

The bill was passed and its title agreed to.

S. F. No. 470 was reported to the House.

Winter moved to amend S. F. No. 470, as follows:

Page 2, line 24, delete "may" and insert "shall"

The motion prevailed and the amendment was adopted.

Solberg, Gruenes, Boo, Marsh, Kinkel, Omann, Bertram and Johnson, R., moved to amend S. F. No. 470, as amended, as follows:

Pages 1 and 2, delete Section 1

Renumber the remaining sections

Amend the title as follows:

Page 1, line 6, delete "; proposing coding" and insert a period

Page 1, delete line 7

Winter moved that S. F. No. 470, as amended, be continued on Special Orders. The motion prevailed.

There being no objection, the order of business reverted to Messages from the Senate.

MESSAGES FROM THE SENATE

The following messages were received from the Senate:

Mr. Speaker:

I hereby announce that the Senate has concurred in and adopted the report of the Conference Committee on:

S. F. No. 104.

The Senate has repassed said bill in accordance with the recommendation and report of the Conference Committee. Said Senate File is herewith transmitted to the House.

PATRICK E. FLAHAVEN, Secretary of the Senate

CONFERENCE COMMITTEE REPORT ON S. F. NO. 104

A bill for an act relating to agriculture; making changes in the rural finance authority loan program; amending Minnesota Statutes 1988, sections 41B.02, subdivisions 12, 15, and 18; 41B.03, subdivision 3, and by adding a subdivision; 41B.039, subdivision 1; proposing coding for new law in Minnesota Statutes, chapter 41B; repealing Minnesota Statutes 1988, sections 41B.03, subdivision 4; and 41B.039, subdivisions 3, 4, and 5.

May 17, 1989

The Honorable Jerome M. Hughes
President of the Senate

The Honorable Robert E. Vanasek
Speaker of the House of Representatives

We, the undersigned conferees for S. F. No. 104, report that we have agreed upon the items in dispute and recommend as follows:

That the House recede from its amendment and that S. F. No. 104 be further amended as follows:

Delete everything after the enacting clause and insert:

“Section 1. Minnesota Statutes 1988, section 41B.02, subdivision 12, is amended to read:

Subd. 12. [PRIMARY PRINCIPAL.] “Primary principal” means that portion of the outstanding balance on a loan covered by sections 41B.01 to 41B.23 section 41B.04 that is equal to the current market value of the property secured by the loan.

Sec. 2. Minnesota Statutes 1988, section 41B.02, subdivision 15, is amended to read:

Subd. 15. [SECONDARY PRINCIPAL.] "Secondary principal" means that portion of the ~~principal~~ outstanding on balance of a restructured loan covered by sections 41B.01 to 41B.23 section 41B.04 that is in excess of the current market value of the property secured by the loan.

Sec. 3. Minnesota Statutes 1988, section 41B.02, subdivision 18, is amended to read:

Subd. 18. [SELLER-SPONSORED LOAN.] "Seller-sponsored loan" means a loan in which part or all of the price of a farm is financed by a loan from the seller of the farm who is a natural person, a partnership, or a family farm corporation as defined in section 500.24, located in Minnesota. ~~The loan must be secured by a real estate mortgage evidenced by one or more notes that may carry different interest rates or by a contract for deed. The definition of a seller-sponsored loan under this subdivision does not include a loan between persons within the second degree of kindred according to common law. A seller-sponsored loan may not be made to a person who has previously defaulted on a state loan or state guarantee of a loan.~~

Sec. 4. Minnesota Statutes 1988, section 41B.03, subdivision 3, is amended to read:

Subd. 3. [ELIGIBILITY FOR BEGINNING FARMER LOANS.] In addition to the requirements under subdivision 1, a prospective borrower for a beginning farm loan, ~~including a seller-sponsored loan,~~ in which the authority holds an interest, must:

(1) have sufficient education, training, or experience in the type of farming for which the loan is desired;

(2) have a total net worth, including assets and liabilities of the borrower's spouse and dependents, of less than \$100,000;

(3) demonstrate a need for the loan;

(4) demonstrate an ability to repay the loan;

(5) ~~demonstrate~~ certify that the agricultural land to be purchased will be used by the borrower for agricultural purposes; and

(6) ~~demonstrate~~ certify that farming will be the principal occupation of the borrower.;

(7) agree to participate in a farm management program approved by the commissioner of agriculture for at least the first five years of the loan, if an approved program is available within 45 miles from the borrower's residence; and

(8) agree to file an approved soil and water conservation plan with the soil conservation service office in the county where the land is located.

Sec. 5. Minnesota Statutes 1988, section 41B.03, is amended by adding a subdivision to read:

Subd. 5. [ELIGIBILITY FOR SELLER-SPONSORED LOANS.] In addition to the requirements under subdivision 1, a prospective borrower under the seller-sponsored loan program must either meet the conditions of subdivision 3 if the person is a beginning farmer, or other conditions the authority prescribes if the person is reentering farming through the seller-sponsored loan program.

Sec. 6. Minnesota Statutes 1988, section 41B.039, subdivision 1, is amended to read:

Subdivision 1. [ESTABLISHMENT.] The authority may establish, develop criteria, and implement a beginning farmer program. The program may include assistance for persons entering or reentering farming through the use of seller-sponsored loans.

Sec. 7. [41B.042] [SELLER-SPONSORED PROGRAM.]

Subdivision 1. [ESTABLISHMENT.] The authority must, within 120 days after the effective date of this act, establish, develop criteria, and implement a seller-sponsored loan participation program to assist persons entering or reentering farming. The authority must conduct a study on the feasibility of implementing a program for assistance to persons entering or reentering farming through seller-participation contracts for deed and report to the legislature by January 15, 1990.

Subd. 2. [SECURITY.] Seller-sponsored loans in which the authority holds an interest must be secured by a real estate mortgage evidenced by one or more notes that may carry different interest rates.

Subd. 3. [PROHIBITED PARTICIPATION.] The authority may not participate in seller-sponsored loans if the buyer or seller has previously participated in a family farm security loan or a seller-sponsored loan under chapter 41. Unless the loan is partially financed by an eligible lender, the authority may not participate in loans between persons that are related to each other as parent and child, brother and sister, grandparent and grandchild, uncle or aunt and niece or nephew, or first cousins.

Subd. 4. [PARTICIPATION LIMIT; INTEREST.] The authority may participate in new seller-sponsored loans to the extent of 35 percent of the principal amount of the loan or \$50,000, whichever is

less. The interest rates and repayment terms of the authority's participation interest may be different than the interest rates and repayment terms of the seller's retained portion of the loan.

Sec. 8. [REPEALER.]

Minnesota Statutes 1988, sections 41B.03, subdivision 4; and 41B.039, subdivisions 3, 4, and 5, are repealed."

We request adoption of this report and repassage of the bill.

Senate Conferees: TRACY L. BECKMAN, CHARLES A. BERG AND JIM M. VICKERMAN.

House Conferees: TED WINTER, ANDY STEENSMA AND STEPHEN E. DILLE.

Winter moved that the report of the Conference Committee on S. F. No. 104 be adopted and that the bill be repassed as amended by the Conference Committee. The motion prevailed.

S. F. No. 104, A bill for an act relating to agriculture; making changes in the rural finance authority loan program; amending Minnesota Statutes 1988, sections 41B.02, subdivisions 12, 15, and 18; 41B.03, subdivision 3, and by adding a subdivision; 41B.039, subdivision 1; proposing coding for new law in Minnesota Statutes, chapter 41B; repealing Minnesota Statutes 1988, sections 41B.03, subdivision 4; and 41B.039, subdivisions 3, 4, and 5.

The bill was read for the third time, as amended by Conference, and placed upon its repassage.

The question was taken on the repassage of the bill and the roll was called. There were 129 yeas and 3 nays as follows:

Those who voted in the affirmative were:

Abrams	Burger	Forsythe	Hugoson	Kelso
Anderson, G.	Carlson, D.	Frederick	Jacobs	Kinkel
Battaglia	Carlson, L.	Frerichs	Janezich	Kostohryz
Bauerly	Carruthers	Girard	Jaros	Krueger
Beard	Clark	Greenfield	Jefferson	Lasley
Begich	Conway	Gruenes	Jennings	Lieder
Bennett	Cooper	Gutknecht	Johnson, A.	Limmer
Bertram	Dauner	Hartle	Johnson, R.	Long
Bishop	Dawkins	Hasskamp	Johnson, V.	Lynch
Blatz	Dempsey	Heap	Kahn	Macklin
Boo	Dille	Henry	Kalis	Marsh
Brown	Dorn	Himle	Kelly	McDonald

McEachern	Olson, K.	Price	Schreiber	Tunheim
McGuire	Omman	Pugh	Seaberg	Uphus
McLaughlin	Onnen	Quinn	Segal	Valento
McPherson	Orenstein	Redalen	Simoneau	Vellenga
Milbert	Osthoff	Reding	Skoglund	Wagenius
Miller	Ostrom	Rest	Solberg	Waltman
Morrison	Otis	Rice	Sparby	Weaver
Munger	Ozment	Richter	Stanius	Welle
Murphy	Pappas	Rodosovich	Steensma	Wenzel
Nelson, C.	Pauly	Rukavina	Sviggum	Williams
Nelson, K.	Pellow	Runbeck	Swenson	Winter
O'Connor	Pelowski	Sarna	Tjornhom	Wynia
Ogren	Peterson	Schafer	Tompkins	Spk. Vanasek
Olson, E.	Poppenhagen	Scheid	Trimble	

Those who voted in the negative were:

Haukoos Knickerbocker Olsen, S.

The bill was repassed, as amended by Conference, and its title agreed to.

Mr. Speaker:

I hereby announce that the Senate refuses to adopt the Conference Committee report on H. F. No. 166 and recommends that the bill be re-referred to the Conference Committee as formerly constituted for further consideration.

H. F. No. 166, A bill for an act relating to state agencies; providing that certain information submitted to department of transportation is public data; providing for development of internal auditing standards; classifying certain internal auditing data as other than public; defining terms; providing for limousine registration; exempting certain special transportation service providers holding current certificate of compliance from motor carrier regulations; delineating requirements of carriers to display certain information; providing for permits of special passenger carriers and household goods carriers; providing for operation under motor carrier permit on death of holder; providing for amount of insurance, bond, or other security required of motor carriers; giving commissioner of transportation subpoena power for certain enforcement purposes; providing for suspension of registration of interstate authority for failure to maintain insurance; amending Minnesota Statutes 1988, sections 13.72, by adding subdivisions; 16A.055, subdivision 1; 168.011, subdivision 35; 168.128, subdivision 2; 174.30, subdivision 6; 221.011, subdivisions 16, 20, and by adding a subdivision; 221.031, subdivision 6; 221.111; 221.121, subdivision 6a; 221.141, subdivision 1b, and by adding a subdivision; and 221.60, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapters 13; 65B; and 221.

H. F. No. 166 is herewith returned to the House.

PATRICK E. FLAHAVEN, Secretary of the Senate

Lasley moved that the House accede to the request of the Senate and that H. F. No. 166 be returned to the Conference Committee as formerly constituted for further consideration. The motion prevailed.

Mr. Speaker:

I hereby announce that the Senate refuses to adopt the Conference Committee report on H. F. No. 162 and recommends that the bill be re-referred to the Conference Committee as formerly constituted for further consideration.

H. F. No. 162, A bill for an act relating to insurance; regulating insurance information collection, use, disclosure, access, and correction practices; requiring reasons for adverse underwriting decisions; amending Minnesota Statutes 1988, section 72A.20, subdivision 11; proposing coding for new law in Minnesota Statutes, chapter 72A.

H. F. No. 162 is herewith returned to the House.

PATRICK E. FLAHAVEN, Secretary of the Senate

Skoglund moved that the House accede to the request of the Senate and that H. F. No. 162 be returned to the Conference Committee as formerly constituted for further consideration. The motion prevailed.

The Speaker resumed the Chair.

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. 1421, A bill for an act relating to surplus United States government property; directing the commissioner of natural resources to seek acquisition of certain surplus property of the United States government; directing the commissioner to lease the property to a nonprofit organization for development as housing for certain homeless veterans and their families.

PATRICK E. FLAHAVEN, Secretary of the Senate

Scheid moved that the House refuse to concur in the Senate amendments to H. F. No. 1421, that the Speaker appoint a Conference Committee of 3 members of the House, and that the House

requests that a like committee be appointed by the Senate to confer on the disagreeing votes of the two houses. The motion prevailed.

Mr. Speaker:

I hereby announce the passage by the Senate of the following House File, herewith returned, as amended by the Senate, in which amendment the concurrence of the House is respectfully requested:

H. F. No. 878, A bill for an act relating to agriculture; providing partial premium payment for federal crop insurance; requiring lawn waste containers to be degradable; establishing uniformity with certain federal regulations; requiring the use of soy-oil based inks for printing under certain conditions; providing Minnesota-grown coupons to WIC coupon recipients at test sites; suspending certain noxious weed control practices during drought conditions; providing for development of a community needs assessment model; authorizing an investigation of cheese marketing institutions and practices; establishing a grasshopper control program; creating an agricultural liming materials law; establishing an advisory task force on farm safety; extending the farmer-lender mediation act and clarifying various provisions; extending the date for a report of the team study on low livestock productivity; changing certain requirements for motor vehicle fuel labeling; establishing an agricultural landlord rental incentive program; limiting liability of certain agricultural society board numbers; setting a dairy industry check-off rate; providing for arbitration of seed claims; providing for purchase of the agriculture department building; authorizing bond sales; regulating wild rice labeling; appropriating money; amending Minnesota Statutes 1988, sections 17.7242, subdivisions 1 and 2; 17.59, by adding a subdivision; 30.49; 31.101; 31.102, subdivision 1; 31.103, subdivision 1; 31.104; 31.11; 38.013; 47.20, subdivision 15; 116O.09, subdivision 5; 239.79, subdivision 2, and by adding a subdivision; 308.12, subdivision 5; 325E.045, subdivision 1, and by adding subdivisions; 500.24, subdivision 6; 550.37, subdivisions 4a, 5, and 7; 580.031; 583.24, subdivision 4; 583.26, subdivision 1; Laws 1983, chapter 215, section 16, as amended; Laws 1986, chapter 398, article 1, section 18, as amended; Laws 1987, chapter 396, article 9, section 1, subdivision 4, as amended; proposing coding for new law in Minnesota Statutes, chapters 16B; 17; 17B; 18; 21; 41B; and 169; repealing Minnesota Statutes 1988, sections 17.7241; 17.4244; 17.7246; and 84.152, subdivision 5.

PATRICK E. FLAHAVER, Secretary of the Senate

Wenzel moved that the House refuse to concur in the Senate amendments to H. F. No. 878, 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.

ANNOUNCEMENT BY THE SPEAKER

The Speaker announced the appointment of the following members of the House to a Conference Committee on H. F. No. 878:

Wenzel, Cooper, Dille, Sparby and Winter.

SPECIAL ORDERS, Continued

S. F. No. 1394, A bill for an act relating to the county of Olmsted; providing for approval of certain conveyancing instruments by county zoning administrator.

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	Frerichs	Kostohryz	Onnen	Schreiber
Anderson, G.	Girard	Krueger	Orenstein	Seaberg
Battaglia	Greenfield	Lasley	Osthoff	Segal
Bauerly	Gruenes	Lieder	Ostrom	Simoneau
Beard	Gutknecht	Limmer	Otis	Skoglund
Begich	Hartle	Lynch	Ozment	Solberg
Bennett	Hasskamp	Macklin	Pappas	Sparby
Bertram	Haukoos	Marsh	Pauly	Stanius
Bishop	Heap	McDonald	Pellow	Steenasma
Blatz	Henry	McEachern	Pelowski	Svigum
Boo	Himle	McGuire	Peterson	Swenson
Brown	Hugoson	McLaughlin	Poppenhagen	Tjornhom
Burger	Jacobs	McPherson	Price	Tompkins
Carlson, D.	Janezich	Milbert	Pugh	Trimble
Carlson, L.	Jaros	Miller	Quinn	Tunheim
Carruthers	Jefferson	Morrison	Redalen	Uphus
Clark	Jennings	Munger	Reding	Valento
Conway	Johnson, A.	Murphy	Rest	Vellenga
Cooper	Johnson, R.	Nelson, C.	Rice	Wagenius
Dauner	Johnson, V.	Nelson, K.	Richter	Waltman
Dawkins	Kahn	O'Connor	Rodosovich	Weaver
Dempsey	Kalis	Ogren	Rukavina	Welle
Dille	Kelly	Olsen, S.	Runbeck	Wenzel
Dorn	Kelso	Olsen, E.	Sarna	Williams
Forsythe	Kinkel	Olson, K.	Schafer	Winter
Frederick	Knickerbocker	Omann	Scheid	Wynia
				Spk. Vanasek

The bill was passed and its title agreed to.

S. F. No. 1074 was reported to the House.

Ogren moved that S. F. No. 1074 be continued on Special Orders. The motion prevailed.

S. F. No. 564, A bill for an act relating to natural resources; increasing the amount of levy for the Kanaranzi-Little Rock watershed district administrative 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 130 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Abrams	Girard	Krueger	Onnen	Schreiber
Anderson, G.	Greenfield	Lasley	Orenstein	Seaberg
Battaglia	Gruenes	Lieder	Osthoff	Segal
Bauerly	Gutknecht	Limmer	Ostrom	Simoneau
Beard	Hartle	Long	Otis	Skoglund
Begich	Hasskamp	Lynch	Ozment	Solberg
Bennett	Haukoos	Macklin	Pappas	Sparby
Bertram	Heap	Marsh	Pauly	Stanisus
Blatz	Henry	McDonald	Pellow	Steensma
Boo	Himle	McEachern	Pelowski	Svigum
Brown	Hugoson	McGuire	Peterson	Swenson
Burger	Jacobs	McLaughlin	Poppenhagen	Tjornhom
Carlson, D.	Janezich	McPherson	Price	Tompkins
Carlson, L.	Jaros	Milbert	Pugh	Trimble
Carruthers	Jefferson	Miller	Quinn	Tunheim
Clark	Jennings	Morrison	Redalen	Uphus
Conway	Johnson, A.	Munger	Reding	Valento
Cooper	Johnson, R.	Murphy	Rest	Vellenga
Dauner	Johnson, V.	Nelson, C.	Rice	Wagenius
Dawkins	Kahn	Nelson, K.	Richter	Waltman
Dempsey	Kalis	O'Connor	Rodosovich	Weaver
Dille	Kelly	Ogren	Rukavina	Welle
Dorn	Kelso	Olsen, S.	Runbeck	Wenzel
Forsythe	Kinkel	Olson, E.	Sarna	Williams
Frederick	Knickerbocker	Olson, K.	Schafer	Winter
Ferichs	Kostohryz	Omann	Scheid	Wynia

The bill was passed and its title agreed to.

There being no objection, S. F. No. 470, as amended, which was continued earlier today was again reported to the House.

Kinkel, Solberg, Gruenes, Boo, Marsh, Omann, Bertram and Johnson, R., moved to amend S. F. No. 470, as amended, as follows:

Pages 1 and 2, delete Section 1

Renumber the remaining sections

Amend the title as follows:

Page 1, line 6, delete “; proposing coding” and insert a period

Page 1, delete line 7

The motion prevailed and the amendment was adopted.

S. F. No. 470, A bill for an act relating to environment; regulating municipal wastewater treatment funding; amending Minnesota Statutes 1988, sections 116.18, subdivisions 3a and 3b; 446A.02, subdivision 4; 446A.07, subdivision 8; and 446A.12, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapter 115.

The bill was read for the third time, as amended, and placed upon its final passage.

The question was taken on the passage of the bill and the roll was called. There were 131 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Abrams	Girard	Krueger	Onnen	Schreiber
Anderson, G.	Greenfield	Lasley	Orenstein	Seaberg
Battaglia	Gruenes	Lieder	Osthoff	Segal
Bauerly	Gutknecht	Limmer	Ostrom	Simoneau
Beard	Hartle	Long	Otis	Skoglund
Begich	Hasskamp	Lynch	Ozment	Solberg
Bennett	Haukoos	Macklin	Pappas	Sparby
Bertram	Heap	Marsh	Pauly	Stanius
Blatz	Henry	McDonald	Pellow	Steensma
Boo	Himle	McEachern	Pelowski	Sviggum
Brown	Hugoson	McGuire	Peterson	Swenson
Burger	Jacobs	McLaughlin	Poppenhagen	Tjornhom
Carlson, D.	Janezich	McPherson	Price	Tompkins
Carlson, L.	Jaros	Milbert	Pugh	Trimble
Carruthers	Jefferson	Miller	Quinn	Tunheim
Clark	Jennings	Morrison	Redalen	Uphus
Conway	Johnson, A.	Munger	Reding	Valento
Cooper	Johnson, R.	Murphy	Rest	Vellenga
Dauner	Johnson, V.	Nelson, C.	Rice	Wagenius
Dawkins	Kahn	Nelson, K.	Richter	Waltman
Dempsey	Kahis	O'Connor	Rodosovich	Weaver
Dille	Kelly	Ogren	Rukavina	Welle
Dorn	Kelso	Olsen, S.	Runbeck	Wenzel
Forsythe	Kinkel	Olson, E.	Sarna	Williams
Frederick	Knickerbocker	Olson, K.	Schafer	Winter
Frerichs	Kostohryz	Omann	Scheid	Wynia
				Spk. Vanasek

The bill was passed, as amended, and its title agreed to.

Anderson, G.; Jennings; Olson, E., and Kelly were excused for the remainder of today's session.

H. F. No. 962 was reported to the House.

Hasskamp moved to amend H. F. No. 962, the first engrossment, as follows:

Page 1, line 14, delete "144.4235" and insert "145.4235".

Amend the title as follows:

Page 1, line 12, delete "144" and insert "145".

The motion prevailed and the amendment was adopted.

Hasskamp and Blatz moved to amend H. F. No. 962, the first engrossment, as amended, as follows:

Page 4, after line 18, insert:

"Sec. 2. [COMMISSION ON CRISIS PREGNANCIES AND ABORTION PREVENTION.]

Subdivision 1. [PURPOSE.] The legislature finds that there is a need to develop a common strategy to reduce crisis pregnancies, thereby insuring that unborn children are protected and abortions are reduced. For the purpose of this section, "crisis pregnancy" means a pregnancy that creates extraordinary burdens and physical or mental stress on the pregnant woman.

Subd. 2. [CREATION AND DUTIES.] The Governor, upon consultation with the principal pro-life and pro-choice community, shall appoint a commission on crisis pregnancies and abortion prevention. The commission shall:

(1) collect and examine information on:

(i) the extent of crisis pregnancies, including but not limited to the rates of crisis pregnancies, the outcomes of crisis pregnancies, the characteristics of women experiencing crisis pregnancies, the characteristics of men who father crisis pregnancies, and information relevant to the prevention of abortion;

(ii) strategies that may reduce crisis pregnancies and thus reduce the number of abortions;

(iii) barriers to adoption for women wanting to place their children, including issues related to the privacy rights of the natural mother;

(iv) the coordination and availability, before, during and after pregnancy, of social and support services for women who may become pregnant or experience crisis pregnancies;

(v) issues related to the self-worth of women who experience crisis pregnancies;

(vi) issues related to the self-worth of men who father crisis pregnancies; and

(vii) other issues relevant to the commission's goals; and

(2) provide specific recommendations with respect to the commission's mission that are agreed upon by both pro-life and pro-choice advocates.

Subd. 3. [MEMBERSHIP.] The commission membership must be as follows:

(1) five members appointed by the governor who represent pro-life views, including one legislator;

(2) five members appointed by the governor who represent pro-choice views, including one legislator;

(3) five members appointed by the governor who are not clearly identified with pro-life or pro-choice views, which may include one legislator. Each of these appointees must be acceptable to at least three out of the five pro-life and three out of the five pro-choice members.

Members of the commission should represent a range of fields and professions, including, but not limited to, psychology, religion, social work, counseling, adoption services, health care, and education.

The commission must be cochaired by one pro-life and one pro-choice members.

Subd. 4. [STAFF AND SUPPORT SERVICES.] The department of health may provide administrative and support services for the commission.

Subd. 5. [REPORT.] The commission should present preliminary findings and recommendations to the legislature by February 1, 1991, and present final findings and recommendations to the legislature by January 1, 1992. All findings and recommendations offered must reflect a consensus of at least 12 of the commission members."

Renumber the sections in sequence

Correct internal references

Amend the title accordingly

A roll call was requested and properly seconded.

The question was taken on the Hasskamp and Blatz amendment and the roll was called. There were 101 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Abrams	Forsythe	Kostohryz	Olson, E.	Sarna
Battaglia	Frederick	Krueger	Omann	Schafer
Bauerly	Frerichs	Lasley	Onnen	Schreiber
Beard	Girard	Lieder	Orenstein	Seaberg
Begich	Gruenes	Limmer	Ostrom	Solberg
Bennett	Gutknecht	Lynch	Otis	Sparby
Bertram	Hartle	Macklin	Ozment	Stanius
Bishop	Hasskamp	Marsh	Pauly	Steensma
Blatz	Haukoos	McDonald	Pellow	Svigum
Boo	Heap	McEachern	Pelowski	Swenson
Brown	Henry	McGuire	Poppenhagen	Tjornhom
Burger	Himle	McPherson	Pugh	Tompkins
Carlson, D.	Hugoson	Milbert	Quinn	Tunheim
Carlson, L.	Jacobs	Miller	Redalen	Uphus
Carruthers	Jaros	Morrison	Reding	Valento
Cooper	Johnson, R.	Murphy	Rest	Waltman
Dauner	Johnson, V.	Nelson, C.	Richter	Weaver
Dempsey	Kalis	O'Connor	Rodosovich	Welle
Dille	Kelso	Ogren	Rukavina	Wenzel
Dorn	Knickerbocker	Olsen, S.	Runbeck	Winter
				Spk. Vanasek

The motion prevailed and the amendment was adopted.

CALL OF THE HOUSE

On the motion of Dempsey and on the demand of 10 members, a call of the House was ordered. The following members answered to their names:

Abrams	Frederick	Krueger	Osthoff	Segal
Battaglia	Frerichs	Lasley	Ostrom	Simoneau
Bauerly	Girard	Lieder	Otis	Skoglund
Beard	Greenfield	Limmer	Pappas	Solberg
Begich	Gruenes	Lynch	Pauly	Sparby
Bennett	Gutknecht	Macklin	Pellow	Stanius
Bertram	Hartle	Marsh	Pelowski	Steensma
Bishop	Hasskamp	McDonald	Peterson	Svigum
Blatz	Haukoos	McEachern	Poppenhagen	Swenson
Boo	Heap	McGuire	Pugh	Tjornhom
Brown	Henry	McPherson	Quinn	Tompkins
Burger	Himle	Milbert	Reding	Trimble
Carlson, D.	Hugoson	Miller	Rest	Tunheim
Carlson, L.	Jacobs	Morrison	Rice	Uphus
Clark	Janezich	Murphy	Richter	Valento
Conway	Jefferson	Nelson, C.	Rodosovich	Wagenius
Cooper	Johnson, A.	O'Connor	Rukavina	Waltman
Dauner	Johnson, R.	Ogren	Runbeck	Weaver
Dawkins	Johnson, V.	Olsen, S.	Sarna	Welle
Dempsey	Kahn	Olson, K.	Schafer	Wenzel
Dille	Kelso	Omann	Scheid	Williams
Dorn	Kinkel	Onnen	Schreiber	Winter
Forsythe	Knickerbocker	Orenstein	Seaberg	Wynia
				Spk. Vanasek

Wynia moved that further proceedings of the roll call be dispensed with and that the Sergeant at Arms be instructed to bring in the absentees. The motion prevailed and it was so ordered.

Bishop, Wynia, Ogren, McGuire, Pappas, Janezich and Rukavina moved to amend H. F. 962, the first engrossment, as amended, as follows:

Page 2, line 23, delete "20" and insert "23"

A roll call was requested and properly seconded.

The question was taken on the Bishop et al amendment and the roll was called.

Wynia moved that those not voting be excused from voting. The motion prevailed.

There were 39 yeas and 81 nays as follows:

Those who voted in the affirmative were:

Abrams	Hartle	McGuire	Otis	Skoglund
Bishop	Himle	Munger	Pappas	Trimble
Carlson, L.	Janezich	Nelson, C.	Price	Vellenga
Carruthers	Jaros	Nelson, K.	Reding	Wagenius
Clark	Jefferson	Ogren	Rest	Welle
Dorn	Kahn	Olson, K.	Rukavina	Williams
Forsythe	Lieder	Orenstein	Segal	Wynia
Greenfield	Long	Ostrom	Simoneau	

Those who voted in the negative were:

Battaglia	Frederick	Krueger	Ozment	Seaberg
Bauerly	Frerichs	Lasley	Pauly	Solberg
Beard	Girard	Limmer	Pellow	Sparby
Begich	Gruenes	Lynch	Pelowski	Stanius
Bennett	Gutknecht	Macklin	Peterson	Steensma
Bertram	Hasskamp	Marsh	Poppenhagen	Sviggum
Blatz	Heap	McDonald	Pugh	Swenson
Boo	Henry	McEachern	Quinn	Tjornhom
Brown	Hugoson	McPherson	Redalen	Tompkins
Burger	Jacobs	Milbert	Rice	Tunheim
Carlson, D.	Johnson, R.	Miller	Richter	Uphus
Conway	Johnson, V.	Murphy	Rodosovich	Valento
Cooper	Kalis	O'Connor	Runbeck	Waltman
Dauner	Kelso	Olsen, S.	Sarna	Weaver
Dempsey	Kinkel	Omann	Schafer	Wenzel
Dille	Kostohryz	Onnen	Schreiber	Winter
				Spk. Vanasek

The motion did not prevail and the amendment was not adopted.

The Speaker called Quinn to the Chair.

Pappas moved to amend H. F. No. 962, the first engrossment, as amended, as follows:

Page 3, line 33, after the period insert “Unless one or both of the parents agrees within 30 days of the birth to accept the parental rights and responsibilities for the child, the child is a ward of the state and the parents have no parental rights or obligations as if the parental rights had been terminated according to section 260.221. The child must be provided for under sections 256.12, subdivision 14, and 256.72 to 256.87.”

A roll call was requested and properly seconded.

The question was taken on the Pappas amendment and the roll was called.

Wynia moved that those not voting be excused from voting. The motion prevailed.

There were 39 yeas and 87 nays as follows:

Those who voted in the affirmative were:

Abrams	Janezich	McLaughlin	Ostrom	Skoglund
Bishop	Jaros	Munger	Otis	Trimble
Carlson, L.	Jefferson	Nelson, C.	Pappas	Vellenga
Carruthers	Johnson, A.	Ogren	Rest	Wagenius
Clark	Kahn	Olsen, S.	Rukavina	Welle
Dawkins	Lieder	Olson, K.	Scheid	Williams
Dorn	Long	Orenstein	Segal	Wynia
Greenfield	McGuire	Osthoff	Simoneau	

Those who voted in the negative were:

Battaglia	Frederick	Kinkel	Onnen	Schafer
Bauerly	Frerichs	Kostohryz	Ozment	Schreiber
Beard	Girard	Krueger	Pauly	Seaberg
Begich	Gruenes	Lasley	Pellow	Solberg
Bennett	Gutknecht	Limmer	Pelowski	Sparby
Bertram	Hartle	Lynch	Peterson	Stanius
Blatz	Hasskamp	Macklin	Poppenhagen	Steensma
Boo	Haukoos	Marsh	Price	Sviggum
Brown	Heap	McDonald	Pugh	Swenson
Burger	Henry	McEachern	Quinn	Tjornhom
Carlson, D.	Himle	McPherson	Redalen	Tompkins
Conway	Hugoson	Milbert	Reding	Tunheim
Cooper	Jacobs	Miller	Rice	Uphus
Dauner	Johnson, R.	Morrison	Richter	Valento
Dempsey	Johnson, V.	Murphy	Rodosovich	Waltman
Dille	Kalis	O'Connor	Runbeck	Weaver
Forsythe	Kelso	Omann	Sarna	Wenzel
				Winter
				Spk. Vanasek

The motion did not prevail and the amendment was not adopted.

Price was excused while in conference.

Segal, Williams and Jefferson moved to amend H. F. No. 962, the first engrossment, as amended, as follows:

Page 2, after line 11, insert:

"(d) "Health of the woman" means the emotional, physical, or mental health of the woman."

Reletter the remaining paragraphs

Correct internal references

A roll call was requested and properly seconded.

The question was taken on the Segal et al amendment and the roll was called.

Krueger moved that those not voting be excused from voting. The motion prevailed.

There were 36 yeas and 84 nays as follows:

Those who voted in the affirmative were:

Abrams	Dorn	Johnson, A.	Olson, K.	Segal
Bishop	Greenfield	Kahn	Orenstein	Simoneau
Carlson, L.	Hartle	McGuire	Ostrom	Skoglund
Carruthers	Himle	Morrison	Otis	Trimble
Clark	Janezich	Munger	Pappas	Vellenga
Dauner	Jaros	Nelson, C.	Rest	Wagenius
Dawkins	Jefferson	Olsen, S.	Rukavina	Williams
				Wynia

Those who voted in the negative were:

Battaglia	Frerichs	Lieder	Pellow	Solberg
Bauerly	Girard	Limmer	Pelowski	Sparby
Beard	Gruenes	Lynch	Peterson	Stanius
Begich	Gutknecht	Macklin	Poppenhagen	Steensma
Bennett	Hasskamp	Marsh	Pugh	Sviggum
Bertram	Heap	McDonald	Quinn	Swenson
Blatz	Henry	McEachern	Redalen	Tjornhom
Boo	Hugoson	McPherson	Reding	Tompkins
Brown	Jacobs	Milbert	Rice	Tunheim
Burger	Johnson, R.	Miller	Richter	Uphus
Carlson, D.	Johnson, V.	Murphy	Rodosovich	Valento
Conway	Kalis	O'Connor	Runbeck	Waltman
Cooper	Kelso	Omann	Sarna	Weaver
Dempsey	Kinkel	Onnen	Schafer	Wenzel
Dille	Kostohryz	Osthoff	Scheid	Winter
Forsythe	Krueger	Ozment	Schreiber	Spk. Vanasek
Frederick	Lasley	Pauly	Seaberg	

The motion did not prevail and the amendment was not adopted.

Williams and Jefferson moved to amend H. F. No. 962, the first engrossment, as amended, as follows:

Page 2, line 23, delete "20" and insert "24"

A roll call was requested and properly seconded.

The question was taken on the Williams and Jefferson amendment and the roll was called.

Wynia moved that those not voting be excused from voting. The motion prevailed.

There were 33 yeas and 88 nays as follows:

Those who voted in the affirmative were:

Abrams	Janezich	McGuire	Otis	Trimble
Bishop	Jaros	McLaughlin	Pappas	Vellenga
Carlson, L.	Jefferson	Munger	Rest	Wagenius
Carruthers	Johnson, A.	Nelson, C.	Rukavina	Williams
Clark	Kahn	Ogren	Segal	Wynia
Dawkins	Lieder	Olson, K.	Simoneau	
Greenfield	Long	Orenstein	Skoglund	

Those who voted in the negative were:

Battaglia	Frederick	Krueger	Ozment	Seaberg
Bauerly	Frerichs	Lasley	Pauly	Sparby
Beard	Girard	Limmer	Pellow	Stanius
Begich	Gruenes	Lynch	Pelowski	Steensma
Bennett	Gutknecht	Macklin	Peterson	Sviggum
Bertram	Hartle	Marsh	Poppenhagen	Swenson
Blatz	Hasskamp	McDonald	Pugh	Tjornhom
Boo	Haukoos	McEachern	Quinn	Tompkins
Brown	Henry	McPherson	Redalen	Tunheim
Burger	Himle	Milbert	Reding	Uphus
Carlson, D.	Hugoson	Miller	Rice	Valento
Conway	Jacobs	Murphy	Richter	Waltman
Cooper	Johnson, R.	O'Connor	Rodosovich	Weaver
Dauner	Johnson, V.	Olsen, S.	Runbeck	Wenzel
Dempsey	Kalis	Omann	Sarna	Winter
Dille	Kelso	Onnen	Schafer	Spk. Vanasek
Dorn	Kinkel	Osthoff	Scheid	
Forsythe	Kostohryz	Ostrom	Schreiber	

The motion did not prevail and the amendment was not adopted.

Bishop was excused while in conference.

Johnson, A., and Lasley offered an amendment to H. F. No. 962, the first engrossment, as amended.

Johnson, A., requested a division of the Johnson, A., and Lasley amendment to H. F. No. 962, the first engrossment, as amended.

The first portion of the Johnson, A., and Lasley amendment to H. F. No. 962, the first engrossment, as amended, reads as follows:

In the Hasskamp and Blatz amendment:

Page 1, line 20, delete "unborn" and delete "protected" and insert "wanted"

A roll call was requested and properly seconded.

The question was taken on the first portion of the Johnson, A., and Lasley amendment and the roll was called.

Wynia moved that those not voting be excused from voting. The motion prevailed.

There were 34 yeas and 84 nays as follows:

Those who voted in the affirmative were:

Abrams	Jefferson	McLaughlin	Ostrom	Skoglund
Carlson, L.	Johnson, A.	Munger	Otis	Trimble
Carruthers	Kahn	Murphy	Pappas	Vellenga
Clark	Lasley	Nelson, C.	Rest	Wagenius
Dawkins	Lieder	Nelson, K.	Rukavina	Williams
Greenfield	Long	Olson, K.	Segal	Wynia
Janezich	McGuire	Orenstein	Simoneau	

Those who voted in the negative were:

Battaglia	Frederick	Krueger	Pellow	Solberg
Bauerly	Frerichs	Limmer	Pelowski	Sparby
Beard	Girard	Lynch	Peterson	Stanius
Begich	Gruenes	Macklin	Poppenhagen	Steensma
Bennett	Gutknecht	Marsh	Pugh	Sviggum
Bertram	Hartle	McDonald	Quinn	Swenson
Blatz	Hasskamp	McEachern	Redalen	Tjornhom
Boo	Haukoos	McPherson	Reding	Tompkins
Brown	Henry	Miller	Rice	Tunheim
Burger	Hugoson	Morrison	Richter	Uphus
Carlson, D.	Jacobs	O'Connor	Rodosovich	Valento
Conway	Johnson, R.	Olsen, S.	Runbeck	Waltman
Cooper	Johnson, V.	Omamn	Sarna	Weaver
Dauner	Kalis	Onnen	Schafer	Wenzel
Dempsey	Kelso	Osthoff	Scheid	Winter
Dille	Kinkel	Ozment	Schreiber	Spk. Vanasek
Forsythe	Kostohryz	Pauly	Seaberg	

The motion did not prevail and the first portion of the Johnson, A., and Lasley amendment to H. F. No. 962, the first engrossment, as amended, was not adopted.

The second portion of the Johnson, A., and Lasley amendment to H. F. No. 962, the first engrossment, as amended, reads as follows:

In the Hasskamp and Blatz amendment:

Page 2, line 7, delete "self-worth" and insert "characteristics"

Page 2, line 9, delete "the self-worth of men who father" and insert "self-worth and characteristics of men who impregnate women without regard for resulting pregnancy"

Page 2, line 10, delete "crisis pregnancies"

A roll call was requested and properly seconded.

The question was taken on the second portion of the Johnson, A., and Lasley amendment and the roll was called.

Wynia moved that those not voting be excused from voting. The motion prevailed.

There were 96 yeas and 24 nays as follows:

Those who voted in the affirmative were:

Abrams	Dille	Kinkel	Olson, K.	Rukavina
Battaglia	Dorn	Kostohryz.	Orenstein	Runbeck
Bauerly	Forsythe	Krueger	Osthoff	Schafer
Beard	Frederick	Lasley	Ostrom	Scheid
Begich	Frerichs	Lieder	Otis	Seaberg
Bennett	Greenfield	Long	Ozment	Segal
Bertram	Hartle	Lynch	Pappas	Simoneau
Blatz	Hasskamp	Marsh	Pauly	Skoglund
Boo	Haukoos	McDonald	Pellow	Stanis
Brown	Henry	McGuire	Pelowski	Swenson
Burger	Himle	McLaughlin	Peterson	Trimble
Carlson, D.	Janezich	Milbert	Poppenhagen	Tunheim
Carlson, L.	Jaros	Morrison	Quinn	Valento
Carruthers	Jefferson	Munger	Redalen	Vellenga
Clark	Johnson, A.	Murphy	Reding	Wagenius
Conway	Johnson, V.	Nelson, C.	Rest	Welle
Cooper	Kahn	Nelson, K.	Rice	Williams
Dauner	Kalis	Ogren	Richter	Winter
Dawkins	Kelso	Olsen, S.	Rodosovich	Wynia
				Spk. Vanasek

Those who voted in the negative were:

Dempsey	Jacobs	Miller	Sparby	Uphus
Girard	Johnson, R.	Omann	Steensma	Waltman
Gruenes	Limmer	Onnen	Sviggum	Weaver
Gutknecht	Macklin	Pugh	Tjornhom	Wenzel
Hugoson	McPherson	Schreiber	Tompkins	

The motion prevailed and the second portion of the Johnson, A.,

and Lasley amendment to H. F. No. 962, the first engrossment, as amended, was adopted.

CALL OF THE HOUSE LIFTED

Rodosovich moved that the call of the House be dispensed with. The motion prevailed and it was so ordered.

Greenfield moved to amend H. F. No. 962, the first engrossment, as amended, as follows:

Page 2, line 17, delete "of sustained"

Page 2, delete lines 18 and 19 and insert "that the fetus can survive independently of the womb, on a sustained basis, without artificial life support."

A roll call was requested and properly seconded.

The question was taken on the Greenfield amendment and the roll was called. There were 24 yeas and 95 nays as follows:

Those who voted in the affirmative were:

Carruthers	Jefferson	McLaughlin	Rukavina	Vellenga
Clark	Johnson, A.	Munger	Segal	Wagenius
Dawkins	Kahn	Nelson, K.	Simoneau	Williams
Greenfield	Long	Ostrom	Skoglund	Wynia
Jaros	McGuire	Pappas	Trimble	

Those who voted in the negative were:

Abrams	Forsythe	Kostohryz	Onnen	Scheid
Battaglia	Frederick	Krueger	Orenstein	Schreiber
Bauerly	Frerichs	Lasley	Osthoff	Seaberg
Beard	Girard	Lieder	Ozment	Solberg
Begich	Gruenes	Limmer	Pauly	Sparby
Bennett	Gutknecht	Lynch	Pelowski	Stanius
Bertram	Hartle	Macklin	Peterson	Steensma
Blatz	Hasskamp	Marsh	Poppenhagen	Sviggum
Boo	Haukoos	McDonald	Pugh	Swenson
Brown	Henry	McEachern	Quinn	Tjornhom
Burger	Himle	McPherson	Redalen	Tompkins
Carlson, D.	Hugoson	Milbert	Reding	Tunheim
Carlson, L.	Jacobs	Miller	Rest	Uphus
Conway	Janezich	Morrison	Rice	Valento
Cooper	Johnson, R.	Murphy	Richter	Waltman
Dauner	Johnson, V.	Nelson, C.	Rodosovich	Weaver
Dempsey	Kalis	O'Connor	Runbeck	Wenzel
Dille	Kelso	Olsen, S.	Sarna	Winter
Dorn	Kinkel	Omann	Schafer	Spk. Vanasek

The motion did not prevail and the amendment was not adopted.

Segal and Forsythe moved to amend H. F. No. 962, the first engrossment, as amended, as follows:

Page 4, line 18, after the period insert "The board of medical examiners must not further consider, and must immediately dismiss, any complaint against a physician regarding an act or omission of the physician under this section when the board has determined that the physician acted in good faith or that the complaint involves the medical judgment of the physician based on the particular facts of the case before the physician."

A roll call was requested and properly seconded.

The question was taken on the Segal and Forsythe amendment and the roll was called. There were 52 yeas and 68 nays as follows:

Those who voted in the affirmative were:

Abrams	Haukoos	McLaughlin	Pappas	Swenson
Blatz	Heap	McPherson	Pauly	Trimble
Boo	Henry	Morrison	Quinn	Valento
Carlson, L.	Himle	Munger	Rest	Vellenga
Carruthers	Jaros	Nelson, C.	Rukavina	Wagenius
Clark	Jefferson	Nelson, K.	Runbeck	Weaver
Dawkins	Johnson, A.	Olsen, S.	Scheid	Williams
Dorn	Kahn	Olsen, K.	Seaberg	Wynia
Forsythe	Lieder	Orenstein	Segal	
Greenfield	Long	Ostrom	Simoneau	
Hartle	McGuire	Otis	Skoglund	

Those who voted in the negative were:

Battaglia	Frederick	Krueger	Osthoff	Schreiber
Bauerly	Frerichs	Lasley	Ozment	Sparby
Beard	Girard	Limmer	Pellow	Stanius
Begich	Gruenes	Lynch	Pelowski	Steenasma
Bennett	Gutknecht	Macklin	Peterson	Svigum
Bertram	Hasskamp	Marsh	Poppenhagen	Tjornhom
Brown	Hugoson	McDonald	Pugh	Tompkins
Burger	Jacobs	McEachern	Redalen	Tunheim
Carlson, D.	Johnson, R.	Milbert	Reding	Uphus
Conway	Johnson, V.	Miller	Rice	Waltman
Cooper	Kalis	Murphy	Richter	Wenzel
Dauner	Kelso	O'Connor	Rodosovich	Winter
Dempsey	Kinkel	Omman	Sarna	
Dille	Kostohryz	Onnen	Schafer	

The motion did not prevail and the amendment was not adopted.

Trimble moved to amend H. F. No. 962, the first engrossment, as amended, as follows:

Page 3, delete lines 12 to 27

Renumber the remaining subdivisions

Correct internal references

A roll call was requested and properly seconded.

The question was taken on the Trimble amendment and the roll was called. There were 30 yeas and 88 nays as follows:

Those who voted in the affirmative were:

Carlson, L.	Jefferson	McLaughlin	Otis	Trimble
Carruthers	Johnson, A.	Munger	Pappas	Vellenga
Clark	Kahn	Nelson, C.	Rest	Wagenius
Dawkins	Kostohryz	Nelson, K.	Segal	Weaver
Dille	Long	Olson, K.	Simoneau	Williams
Greenfield	McGuire	Osthoff	Skoglund	Wynia

Those who voted in the negative were:

Battaglia	Frerichs	Krueger	Ozment	Seaberg
Bauerly	Girard	Lasley	Pauly	Solberg
Beard	Gruenes	Lieder	Pellow	Sparby
Begich	Gutknecht	Limmer	Pelowski	Stanius
Bennett	Hartle	Lynch	Peterson	Steensma
Bertram	Hasskamp	Macklin	Poppenhagen	Sviggum
Blatz	Haukoos	Marsh	Pugh	Swenson
Boo	Heap	McEachern	Quinn	Tjornhom
Brown	Henry	McPherson	Redalen	Tompkins
Burger	Himle	Milbert	Reding	Tunheim
Carlson, D.	Hugoson	Miller	Rice	Uphus
Conway	Jacobs	Murphy	Richter	Valento
Cooper	Janezich	O'Connor	Rodosovich	Waltman
Dauner	Johnson, R.	Olsen, S.	Runbeck	Wenzel
Dempsey	Johnson, V.	Omann	Sarna	Winter
Dorn	Kalis	Onnen	Schafer	Spk. Vanasek
Forsythe	Kelso	Orenstein	Scheid	
Frederick	Kinkel	Ostrom	Schreiber	

The motion did not prevail and the amendment was not adopted.

Segal moved to amend H. F. No. 962, the first engrossment, as amended, as follows:

Page 2, lines 4 and 5, delete “, irrespective of the duration of pregnancy”

Page 2, line 5, delete “, breathes or shows any”

Page 2, delete lines 6 and 7

Page 2, line 8, delete “muscles” and insert “displays (1) a continuation of circulatory and respiratory functions or (2) full functions of the entire brain, including the brain stem”

A roll call was requested and properly seconded.

The question was taken on the Segal amendment and the roll was called. There were 26 yeas and 92 nays as follows:

Those who voted in the affirmative were:

Carlson, L.	Johnson, A.	Nelson, K.	Segal	Williams
Clark	Kahn	Olson, K.	Simoneau	Wynia
Dawkins	Long	Orenstein	Skoglund	
Greenfield	McGuire	Pappas	Trimble	
Jaros	McLaughlin	Rest	Vellenga	
Jefferson	Munger	Rukavina	Wagenius	

Those who voted in the negative were:

Abrams	Frederick	Kostohryz	Ostrom	Solberg
Battaglia	Frerichs	Krueger	Ozment	Sparby
Bauerly	Girard	Lasley	Pauly	Stanius
Beard	Gruenes	Lieder	Pellow	Steenasma
Begich	Gutknecht	Limmer	Pelowski	Sviggum
Bennett	Hartle	Lynch	Peterson	Swenson
Bertram	Hasskamp	Macklin	Poppenhagen	Tjornhom
Blatz	Haukoos	Marsh	Pugh	Tompkins
Boo	Heap	McDonald	Quinn	Tunheim
Brown	Henry	McEachern	Redalen	Uphus
Burger	Himle	McPherson	Reding	Valento
Carlson, D.	Hugoson	Milbert	Richter	Waltman
Conway	Jacobs	Miller	Rodosovich	Weaver
Cooper	Janezich	Morrison	Runbeck	Wenzel
Dauner	Johnson, R.	Murphy	Sarna	Winter
Dempsey	Johnson, V.	O'Connor	Schafer	Spk. Vanasek
Dille	Kalis	Olsen, S.	Scheid	
Dorn	Kelso	Omamm	Schreiber	
Forsythe	Kinkel	Onnen	Seaberg	

The motion did not prevail and the amendment was not adopted.

Wagenius moved to amend H. F. No. 962, the first engrossment, as amended, as follows:

Page 4, line 13, delete "A physician who intentionally,"

Page 4, delete line 14

Page 4, line 15, delete everything before "A"

A roll call was requested and properly seconded.

The question was taken on the Wagenius amendment and the roll was called. There were 39 yeas and 81 nays as follows:

Those who voted in the affirmative were:

Abrams	Carruthers	Dorn	Hartle	Jaros
Bauerly	Clark	Frerichs	Himle	Jefferson
Carlson, L.	Dawkins	Greenfield	Janezich	Johnson, A.

Kahn	Morrison	Ostrom	Scheid	Vellenga
Kostohryz	Munger	Otis	Segal	Wagenius
Long	Nelson, K.	Pappas	Simoneau	Williams
McGuire	Olson, K.	Rest	Skoglund	Wynia
McLaughlin	Orenstein	Rukavina	Trimble	

Those who voted in the negative were:

Battaglia	Frederick	Lasley	Ozment	Seaberg
Beard	Girard	Lieder	Pauly	Solberg
Begich	Gruenes	Limmer	Pellow	Sparby
Bennett	Gutknecht	Lynch	Pelowski	Stanius
Bertram	Hasskamp	Macklin	Peterson	Steensma
Blatz	Haukoos	Marsh	Poppenhagen	Sviggum
Boo	Heap	McDonald	Pugh	Swenson
Brown	Henry	McEachern	Quinn	Tjornhom
Burger	Hugoson	McPherson	Redalen	Tompkins
Carlson, D.	Jacobs	Milbert	Reding	Tunheim
Conway	Johnson, R.	Miller	Richter	Uphus
Cooper	Johnson, V.	Murphy	Rodosovich	Valento
Dauner	Kalis	O'Connor	Runbeck	Waltman
Dempsey	Kelso	Olsen, S.	Sarna	Weaver
Dille	Kinkel	Omann	Schafer	Wenzel
Forsythe	Krueger	Onnen	Schreiber	Winter
				Spk. Vanasek

The motion did not prevail and the amendment was not adopted.

Kahn moved to amend H. F. No. 962, the first engrossment, as amended, as follows:

Page 1, line 21, before "a" insert "both"

Page 1, line 23, before the period, insert "and preserving the life and health of the pregnant woman"

A roll call was requested and properly seconded.

The question was taken on the Kahn amendment and the roll was called. There were 123 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Abrams	Clark	Gutknecht	Johnson, V.	McDonald
Battaglia	Conway	Hartle	Kahn	McEachern
Bauerly	Cooper	Hasskamp	Kalis	McGuire
Beard	Dauner	Haukoos	Kelso	McLaughlin
Begich	Dawkins	Heap	Kinkel	McPherson
Bennett	Dempsey	Henry	Kostohryz	Milbert
Bertram	Dille	Himle	Krueger	Miller
Blatz	Dorn	Hugoson	Lasley	Morrison
Boo	Forsythe	Jacobs	Lieder	Munger
Brown	Frederick	Janezich	Limmer	Murphy
Burger	Frerichs	Jaros	Long	Nelson, C.
Carlson, D.	Girard	Jefferson	Lynch	Nelson, K.
Carlson, L.	Greenfield	Johnson, A.	Macklin	O'Connor
Carruthers	Gruenes	Johnson, R.	Marsh	Ogren

Olsen, S.	Pelowski	Runbeck	Stanius	Wagenius
Olson, K.	Peterson	Sarna	Steensma	Waltman
Omann	Poppenhagen	Schafer	Sviggum	Weaver
Onnen	Pugh	Scheid	Swenson	Welle
Orenstein	Quinn	Schreiber	Tjornhom	Wenzel
Osthoff	Redalen	Seaberg	Tompkins	Williams
Ostrom	Reding	Segal	Trimble	Winter
Otis	Rest	Simoneau	Tunheim	Wynia
Ozment	Richter	Skoglund	Uphus	Spk. Vanasek
Pappas	Rodosovich	Solberg	Valento	
Pauly	Rukavina	Sparby	Vellenga	

The motion prevailed and the amendment was adopted.

Munger was excused while in conference.

Trimble moved to amend H. F. No. 962, the first engrossment, as amended, as follows:

Page 4, line 15, delete "license revocation or suspension" and insert "disciplinary action"

The motion did not prevail and the amendment was not adopted.

Olson, K., moved to amend H. F. No. 962, the first engrossment, as amended, as follows:

Page 2, after line 26, insert:

"Subd. 3a. [DUTY OF BIOLOGICAL FATHER.] Efforts must be made to identify the impregnator of the pregnant woman by DNA analysis and the biological father is financially responsible for the born child's needs."

A roll call was requested and properly seconded.

The question was taken on the Olson, K., amendment and the roll was called. There were 69 yeas and 46 nays as follows:

Those who voted in the affirmative were:

Abrams	Dawkins	Johnson, V.	McLaughlin	Pappas
Beard	Dorn	Kahn	Morrison	Pauly
Bennett	Forsythe	Kostohryz	Murphy	Pellow
Blatz	Frerichs	Krueger	Nelson, C.	Pugh
Brown	Greenfield	Lasley	Nelson, K.	Quinn
Burger	Hartle	Lieder	Ogren	Redalen
Carlson, L.	Himle	Limmer	Olsen, S.	Rest
Carruthers	Janezich	Long	Olson, K.	Rice
Clark	Jaros	Lynch	Orenstein	Richter
Conway	Jefferson	McDonald	Ostrom	Rodosovich
Dauner	Johnson, A.	McGuire	Otis	Rukavina

Runbeck
Schafer
Seaberg

Segal
Simoneau
Skoglund

Tjornhom
Tompkins
Uphus

Vellenga
Wagenius
Williams

Wynia
Spk. Vanasek

Those who voted in the negative were:

Battaglia
Bauerly
Begich
Bertram
Boo
Carlson, D.
Cooper
Dempsey
Dille
Frederick

Girard
Gruenes
Gutknecht
Hasskamp
Haukoos
Heap
Henry
Hugoson
Jacobs
Johnson, R.

Kelso
Kinkel
Macklin
Marsh
McEachern
McPherson
Milbert
Miller
O'Connor
Omann

Onnen
Ozment
Pelowski
Poppenhagen
Sarna
Solberg
Sparby
Stanius
Steensma
Sviggum

Swenson
Tunheim
Waltman
Weaver
Wenzel
Winter

The motion prevailed and the amendment was adopted.

The Speaker resumed the Chair.

H. F. No. 962, A bill for an act relating to health; requiring the physician to make a determination of viability; prohibiting an abortion except if necessary to preserve the life or health of the mother; regulating the method of abortion of the viable fetus; requiring the presence of a second physician at the abortion of a viable unborn child; regulating the standard of care for the viable unborn child; according protection of law to the child born alive as a result of abortion; creating a commission on crisis pregnancies and abortion prevention; providing a penalty; proposing coding for new law in Minnesota Statutes, chapter 145.

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 93 yeas and 28 nays as follows:

Those who voted in the affirmative were:

Battaglia
Bauerly
Beard
Begich
Bennett
Bertram
Blatz
Boo
Brown
Burger
Carlson, D.
Conway
Cooper
Dauner
Dempsey
Dille
Dorn

Forsythe
Frederick
Frerichs
Girard
Gruenes
Gutknecht
Hasskamp
Haukoos
Heap
Henry
Hugoson
Jacobs
Johnson, R.
Johnson, V.
Kalis
Kelso
Kinkel

Kostohryz
Krueger
Lasley
Lieder
Limmer
Lynch
Macklin
Marsh
McDonald
McEachern
McPherson
Milbert
Miller
Morrison
Murphy
Nelson, C.
O'Connor

Olsen, S.
Omann
Onnen
Orenstein
Osthoff
Ostrom
Ozment
Pauly
Pellow
Pelowski
Peterson
Poppenhagen
Price
Pugh
Quinn
Redalen
Reding

Rice
Richter
Rodosovich
Runbeck
Sarna
Schafer
Scheid
Schreiber
Seaberg
Solberg
Sparby
Stanius
Steensma
Sviggum
Swenson
Tjornhom
Tompkins

Tunheim
Uphus

Valento
Waltman

Weaver
Wenzel

Winter
Spk. Vanasek

Those who voted in the negative were:

Abrams
Carlson, L.
Carruthers
Clark
Dawkins
Greenfield

Himle
Janezich
Jaros
Jefferson
Johnson, A.
Kahn

Long
McGuire
Ogren
Olson, K.
Otis
Pappas

Rest
Rukavina
Segal
Simoneau
Skoglund
Trimble

Vellenga
Wagenius
Williams
Wynia

The bill was passed, as amended, and its title agreed to.

Krueger moved that the remaining bills on Special Orders for today be continued. The motion prevailed.

GENERAL ORDERS

Krueger moved that the bills on General Orders for today be continued. The motion prevailed.

MOTIONS AND RESOLUTIONS

Long moved that H. F. No. 1709, now on General Orders, be re-referred to the Committee on Judiciary. The motion prevailed.

ADJOURNMENT

Krueger moved that when the House adjourns today it adjourn until 12:00 noon, Saturday, May 20, 1989. The motion prevailed.

Krueger moved that the House adjourn. The motion prevailed, and the Speaker declared the House stands adjourned until 12:00 noon, Saturday, May 20, 1989.

EDWARD A. BURDICK, Chief Clerk, House of Representatives